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Message from the Administrator

I am pleased to introduce this Special Issue of Cooperation South which has been timed to coincide with the fiftieth anniversary of the United Nations.

Since coming to UNDP, I have consistently emphasized the importance of TCDC as a major instrument for promoting the objectives of sustainable human development which has been adopted by UNDP's Executive Board as the guiding principle of our institution's work.

I am heartened by the fact that, within recent months, UNDP's Special Unit for TCDC has carried out an intensive and creative dialogue, both within and outside the organization, on the future of TCDC. This effort led to the publication of a comprehensive report, "New Directions for TCDC," which was prepared in response to the UN General Assembly's request, at its forty-ninth session, for the ninth session of the High-level Committee on the Review of TCDC to include on its agenda an item on this subject. The New Directions report, which was endorsed by the High-level Committee, advocates the adoption of a more strategic orientation for TCDC in the future and increased focus on high-priority initiatives that are likely to have a major development impact on the developing countries. The report, therefore, provides a solid foundation for promoting TCDC as an important strategy in support of countries' development aspirations.

I am personally committed to the promotion of TCDC as a major element of UNDP operations and will work with governments, our colleagues in the UN system and, as appropriate, with the private sector and the NGO community, in seeking to advance our objectives. In particular, I will, in the future, look to UNDP's many Country Offices for leadership in ensuring that TCDC becomes an integral part of UNDP's programme operations.

Finally, I would like to congratulate the Special Unit for TCDC on the work it has done during the past year in seeking to make TCDC a dynamic instrument in the service of development.

James Gustave Speth
Administrator
UNDP

Greetings from the Director

This special issue of Cooperation South seeks to advance the dialogue on TCDC in the wake of the adoption of the report on New Directions for TCDC by the ninth session of the High-level Committee on the Review of TCDC which met in New York from 30 May to 2 June 1995.

As in the case of the last issue, the publication features articles from a wide range of contributors, both within and outside the UN system and covers a variety of issues that are relevant to the future of South-South cooperation in general and TCDC in particular. Apart from a number of substantive articles on topics such as technological entrepreneurship, trade promotion, Africa-Asia cooperation, intellectual property rights, the role of the UN and women in development, the interview with Ambassador Felipe Mabilangan of the Philippines, in his capacity as Chairman of the Group of 77, provides important political insight into the manner in which TCDC is viewed by the developing countries themselves. Similarly, Robert Savio, in his various capacities as Director-General of the Inter-Press Service (IPS), Secretary-General of the Society for International Development (SID) and Executive Director of the Technological Information Promotion System (TIPS), is well-placed to bring an informed point of view to the debate on the future of South-South cooperation, with special reference to the implications of the information revolution on such cooperation. I am sure that the points of view expressed by the various contributors will stimulate interest and elicit response from readers. In this connection, we are launching a Letters to the Editor column in the Internet TCDC Discussion Forum whose E-mail address is : **tcdc@FF101.undp.org**

We intend to continue to promote Cooperation South as a major publication within UNDP for the exchange of ideas on substantive development issues and their implications for South-South cooperation. I trust our readers will continue to find the publication interesting.

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On the cover: INRES training in progress
Africa TCDC Focal Points meeting
in Accra, Ghana, April 1995

Cover art by Yih-Chi Wang and
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The emblem of Technical Cooperation among Developing Countries (TCDC) displays a symbolic bridge joining the countries and people of the Southern hemisphere. The centre of the emblem—where the Southern, Northern, Eastern and Western parts of the world join—symbolizes a further and ultimate objective of TCDC: the promotion of truly global partnership for development.

The views expressed in this publication do not necessarily reflect those of the United Nations, the United Nations Development Programme, or governments. The designations employed and material presented on maps do not imply the expression of any opinion whatsoever concerning the legal status of any country, territory, or area, or its frontiers or boundaries.

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DEVELOPMENT CONVERSATIONS:

A Cooperation South Interview with Ambassador Felipe H. Mabilangan

Ambassador Mabilangan discusses the current state of TCDC from his unique vantage point as Chair of the Group of 77. He is the Permanent Representative of the Philippines to the United Nations.

CS: *The G-77 was founded as a common voice for the South. Given the wide divergence of Southern countries today, to what extent does the spirit of cooperation which led to the formation of G-77 still exist, and how can G-77 seek to foster that spirit as a means of enhancing South-South cooperation?*

Ambassador Mabilangan: The fact of the varying stages of development among the countries of the South does not hinder G-77 solidarity. Diversity among developing countries was evident even during the formation of the G-77 in the '60s. In fact, diversity can be a unifying factor, and the spirit of cooperation inspiring the creation of the G-77 has grown immensely through the years. The G-77 pioneered new ideas that altered the dynamics of international relations. It was key to the adoption of such landmark instruments as the Declaration and Programme of Action for the Establishment of a New International Economic Order, the Charter of Economic Rights and Duties of States, the Declaration on International Economic Cooperation, the International Development Strategies of the United Nations, the Buenos Aires Plan of Action and the Cartagena Commitment. The G-77 remains just as important today, continuing to play a crucial role in helping to foster a common position for the South. The divergence of countries in the South is in itself a source of strength and a reservoir of beneficial cooperation among themselves. Every member of the G-77 is both donor and recipient because each member has valuable experience and capacities to offer.

CS: *The recent High-Level Committee Meeting concluded with a renewed commitment to TCDC. What in your view were the most important new elements that emerged from the meeting and how could these elements be translated into operational programmes?*

Ambassador Mabilangan: The most recent session of the High-level Committee signals the true coming of age of TCDC. By this I mean the realization by the participating countries that TCDC has been around for a long time, but has not been utilized to any significant degree, and that the time has come to make fuller use of this very valuable development cooperation tool. I think the most important element to emerge from the recent meeting of the High-level Committee is the resolve to get down to actually applying TCDC with forward-looking new approaches as recommended in the excellent report on "New Directions for TCDC."

It is also worth noting that at the recently held meeting of the High-Level Committee, many delegations endorsed the idea of triangular funding in the light of the fact that financial constraints remain a major impediment to the wider application of TCDC modalities. The triangular funding methodology maximizes the financial resources of developed countries or multilateral agencies and the appropriate technical resources within developing countries in meeting development needs. We will explore the application of this new element in accordance with the principles of South-South cooperation.

CS: *The key policy document considered at the meeting of the High-level Committee, "New Directions," identifies the "need to achieve wider acceptance of TCDC" as one of the most significant challenges to the full realization of TCDC. What practical measures can be taken to foster that wider acceptance?*

Ambassador Mabilangan: The "New Directions for TCDC" is a blueprint for approaches to development assistance. It reflects the constant change that every developing country faces. The G-77 needs to raise the level of awareness of all countries, institutions and international agencies regarding the need to address these changes. In my view, achieving wider acceptance of TCDC as a means to its fuller use really entails two simultaneous efforts: an effective information and training campaign, and actually carrying out innovative pilot activities and strategic initiatives. The initiatives should focus on trade and investment, debt, the environment, poverty alleviation and macroeconomic coordination and management.

Fuller development of TCDC national focal points and increased budgetary allocations for TCDC programmes are two other areas which are obviously important for the growth of TCDC. In addition, we need to develop some creative activities which will inspire development practitioners to follow these new directions.

CS: *"New Directions" also reiterates the importance of integrating TCDC and ECDC strategies. What mechanisms and institutional arrangements need to be strengthened or established to advance that goal?*

Ambassador Mabilangan: For the integration of TCDC and ECDC, we need to return to the Buenos Aires Plan of Action (BAPA) where TCDC was seen as having an integral relationship to ECDC. This implies less compartmentalization of "technical" and "economic" aspects, and more linking of TCDC initiatives with ECDC programmes, as was suggested in the recent intergovernmental expert group meeting on South-South cooperation. UNDP, UNCTAD and other agencies should be encouraged to programme joint efforts to achieve greater integration.

CS: *The Group of 77/UNDP award for TCDC/ECDC, which was launched last year to commemorate the thirtieth anniversary of the founding of the G-77, will be presented for the first time in September 1995. Could you tell us a little about the award and its significance from the point of view of the G-77?*

Ambassador Mabilangan: An important manifestation of the

coming of age of the countries of the South on the global stage is their ability to share capacities and technologies among themselves. The sharing of knowledge and experience is the essence of TCDC and ECDC. It constitutes a powerful point of convergence for the developing world which is seeking greater solidarity, more self-reliance and a better life for its citizens. The G-77/UNDP award for TCDC/ECDC is an excellent practical and inspirational expression of this position of increased self-confidence and greater capacity. The award will be granted annually to an individual, group or institution from the South for an initiative that has made the greatest contribution to the advancement of the objectives of TCDC and ECDC. We are looking forward to the announcement of the first award in September 1995. I hope the award will stimulate creative sharing and exchange among developing countries.

CS: *On the issue of funding, what arrangements do you consider contain the greatest opportunity for overcoming the present financial constraints to TCDC activities?*

Ambassador Mabilangan: There are many sources of funding which can be tapped to facilitate TCDC. TCDC seeks to create self-reliance among countries in the South by harnessing their capacities to resolve their own development problems. Countries in the South should set aside funding from their own national budgets to complement the funding assistance from other sources. The imperative to make TCDC effective rests primarily on the shoulders of the countries of the South. However, everyone should realize that the international community has a common stake in the success of the South. Other countries will share the fruits of successful TCDC when the countries in the South expand their absorptive capacities for goods and services and begin to tread the path of stability and sustained economic growth. More assistance from outside sources should be made available to support TCDC activities, particularly those which have inputs from international institutions and agencies and which will benefit the least developed countries, especially in Africa. The emerging modality of triangular cooperation based on a South-South-North configuration will also allow some resources to be made available from the North for activities defined and managed by the South. Finally, the creative engagement of the private commercial sector in TCDC activities would also provide for additional resources.

CS: *Turning for a moment to your own country, the Philippines. What initiatives involved in promoting and fostering TCDC are taking place there at the present time?*

Ambassador Mabilangan: The Philippines has a small TCDC programme funded from the national budget and focused on a number of areas where we feel we have a unique contribution to make to our fellow developing countries. We have a body called the Technical Cooperation Council which serves as the national focal point on TCDC/ECDC and administers all TCDC/ECDC activities undertaken by my government. In the past, with the help of UN agencies such as the UN Industrial Development Organization (UNIDO), the Technical Cooperation Council has implemented various training programmes and workshops in the areas of rural banking, small business management, metallurgy and aquaculture, with participants from various least-developed countries as well as from other developing countries. We have good experience in involving indigenous NGOs as development partners with the Government, particularly at the rural levels. We have also shared our experience in the multi-disciplinary management of natural disasters involving all segments of the population. The Philippine Government and the Asia Pacific Centre for the Transfer of Technology (APCTT) are organizing a five-day workshop on technology management tools and practices at Manila from 26 to 30 September 1995. The Technical Cooperation Council and the Technology Application and Promotion Institute of our Department of Science and Technology will jointly host the workshop. Countries whose nationals will be attending the meeting include Bangladesh, Chile, China, India, Indonesia, Malaysia, Myanmar, Papua New Guinea, Thailand, Mexico and Viet Nam. The participants will be senior representatives of various research and development institutions, science and technology agencies, consultants and consulting firms, industry, non-governmental organizations and productivity environment-management centres.

CS: *What is the status of the proposal by the ministerial meeting of the G-77 held in September 1994 for a conference on South-South cooperation about which there were some initial discussions during the forty-ninth session of the General Assembly?*

Ambassador Mabilangan: As far as the G-77 is concerned, the conference on South-South cooperation should be convened no later than 1997. However, this view does not appear to be shared by some other groups. The European Union, for example, at a recent meeting, stated for the record that it had serious reservations about the convening of such a conference, although some developed countries are sympathetic to the idea of a conference. Nevertheless, the G-77 will continue to vigorously pursue the issue. The conference is a key means of reinvigorating international support for South-South cooperation. Developed countries should support the convening of such a conference because in the ultimate analysis, whatever advances the South is able to realize will have a concomitant benefit for the North.

CS: *What linkage do you see between the proposed conference on South-South cooperation and the "Agenda for Development"?*

Ambassador Mabilangan: The G-77, in fact, all developing countries, recognize that South-South cooperation is an important means for promoting development and breathing new life into international development cooperation. The Agenda for Development, at least in the G-77 version, contains a section on South-South cooperation in which this view is reflected. An international conference on South-South cooperation would thus provide a strong political basis and commitment not only in terms of pursuing opportunities for greater South-South cooperation in the post-Cold War era, but also for promoting political and financial support by the international community and particularly the developed countries, for South-South cooperation activities.

In this regard, it should be stressed that South-South cooperation is not a substitute for North-South cooperation but is, in fact, a valuable complement to it. It is therefore in the political and economic interest of all countries, particularly in the North, to meaningfully support South-South cooperation. It is in this context that South-South cooperation would be a valuable means of enhancing international cooperation for development, which, in turn, should be the essential objective of an agenda for development. ◆

The Future of South-South Cooperation

Cooperation South magazine interviews Roberto Savio, Director-General, Inter-Press Service. Mr. Savio is also Secretary-General of the Society for International Development (SID) and Executive Director of the Technological Information Promotion System (TIPS). As one of today's most experienced development practitioners, Mr. Savio is well-placed to describe the future prospects for South-South cooperation. Sam Oglesby, Editor of Cooperation South, reports.

CS: *To give us an introductory overview, what are the most important issues to be dealt with in developing South-South cooperation?*

Roberto Savio: The most important overall issue which should be taken into account is the shift in South-South alignment owing to the effects of what we term "globalization." Globalization has been rarely touched upon in UN debates yet it is necessary to recognize and deal with this phenomenon: the centre of economic weight has shifted to Asia with an increasing marginalization of Africa. In the South there are now three players running at different speeds - South-East and East Asia, Latin America and Africa. And all three of these regions are trying to escape the realities of globalization through bilateral North-South agreements.

Within this framework of flux, it will be necessary to devise and implement a process which will provide South-South services and transfers which are as important as those offered through North-South exchanges. The Special Unit for Technical Cooperation among Developing Countries (SU/TCDC) can play an important role in giving perspective and guidance regarding what form these South-South exchanges can take.

There is another aspect which cannot be overlooked. This is special sense of identity of the South which is different from the North and which was given voice in the earlier years of post-colonial independence through such fora as the Non-Aligned Movement (NAM) and the New International Economic Order (NIEO). These differences are very basic and relate to the whole gamut of essential elements which constitute national, collective and individual life - the view of society, the function of the family, approaches to economic participation, traditional perspectives and culture, value systems, to name a few. This feeling of difference should be developed in a constructive way aiming at a strong, solid self-identity and not as an anti-North feeling. Agencies such as the UNDP, and in particular SU/TCDC, can play a facilitating role in this regard.

CS: *There have been various prognostications — both positive and negative — about the future of development cooperation in its different forms. Is the picture basically bright? What do you foresee as problem areas? What contribution can be made by TCDC/ECDC?*

Roberto Savio: The future of development cooperation is very much tied to the climate created by the end of the Cold War. With the break-up of the bipolar alignment which had endured for more than forty years, the South lost a trump card in the game of international influence. Its ability to posture and maximize donor resource flows was abruptly diminished since the South could no longer be a key player in a conflict which no longer existed. With development aid no longer an imperative, the South found itself largely irrelevant on both the political and military levels. Reinforcing this trend was a world-view which felt that global solutions should not be sought for any problem which could be solved locally. For example, national laws were passed and police forces were strengthened in response to surges in immigration from the South to the North.

In the short-term, I do not foresee any increase in official development assistance (ODA). In fact, a decrease is to be expected. With the United States cutting back, it can be expected that most other donors will follow suit and even though Japan may compensate with an ODA increase, it will not be sufficient to close the gap. And in any case Japan's ODA is Asia-centered and not really global. It should be mentioned that this bleak picture has its bright spots with Denmark, the Netherlands, Norway and Sweden approaching the 1% target.

Spain is the only country which has recently increased its ODA (to reach around 0.7%) and the reason is interesting: a dramatic mobilization of public opinion. This is a hopeful straw in the wind at a time when we have a crisis of participation in most democracies. There is a widespread perception that political parties have become instruments of power and NOT vehicles for participation. They no longer serve the classic purpose for which they were developed and instead are seen by public opinion as alien and opportunistic to the needs of society. Citizens' groups and non-governmental organizations are stepping in to address the problems of a shattered social structure.

In this rather gloomy picture, TCDC/ECDC has an important role to play in helping the countries of the South to work more closely together to increase national and collective self-reliance as called for in TCDC's charter, the Buenos Aires Plan of Action (BAPA). If the South can realize this goal of self-strengthening, North-South relations will also benefit since dealing with a healthy, stable South is in the North's interest. The North had, in

earlier times, been rather paranoic about South-South cooperation, but today even conservatives in the North have been converted.

CS: *Much has been said in recent years about the great opportunities presented by the end of East-West confrontation and the advent of globalization and liberalization. Are these trends creating a global framework conducive to sustainable human development? Are there dangers in this loose and open international order? How can South-South cooperation address this complex situation?*

Roberto Savio: I have touched on the implications of the end of East-West confrontation in response to your second question. Let me continue by focusing more on globalization and liberalization. In many ways we are witnessing a return to the mentality of a century ago when laissez-faire capitalism held sway and responsibility for social well-being was not seen as a major concern for governments.

This is a déja-vu situation where only the rich are interested in voting, where trade unions are in decline, political parties are elite clubs and social architecture - welfare systems -is being dismantled. We also need to note the simultaneous impoverishment of the middle class; the test case of the United States is emblematic of this trend which is now also rising in Europe. In the last 12 years, the US middle-class lost 11% each year to poverty. The implications for development cooperation are complex and not altogether negative. For one thing, the opportunity for an increase in non-governmental organizations activities and the involvement of community action citizen's groups is an area where South-South contacts can play a major role.

CS: *As a specialist in communications, would you share with us your ideas about the communications revolution and how these advances in technology can be harnessed by countries of the South in ways most advantageous to their own development requirements?*

Roberto Savio: Much has been said about the information revolution, but let us note here two basic features: its rapid expansion - presently worldwide INTERNET membership is 30 million with a monthly increase of one million; and the affordability of the new communications technology which is becoming cheaper and cheaper so that soon its cost will be negligible. For the first time in world history we will be truly living in a communications-oriented society whereas previously global communication was blocked by natural and geographic boundaries as well as distance. Within the next 20-25 years, even remote villages, because of the drastic reduction in communications costs, will be able to be linked up to the global communications network and hopefully this revolution will return power to the people since the State will no longer be able to control or curtail communications and the spread of information. This phenomenon has important implications for democracy. This also has positive implications for TCDC since its promotion and expansion will no longer depend exclusively on a limited focal point network.

I see three levels of communication which need to be taken into account: exchanges at the institutional and governmental level; meso-level interaction taking place between, for example, Chambers of Commerce; and direct people-to-people contacts. TCDC can be active at all three levels, especially at the meso-level where it can contribute added value to the existing information. TCDC can also be instrumental in helping to create the necessary environment for a cultural of communications which needs to be nurtured in the South. Presently only 7% of businesses in the South are PC-equipped compared to nearly 80% in the North.

CS: *What about the role of the United Nations technical agencies vis-à-vis TCDC? Does the prospect of widespread use of TCDC mean a diminished place for the United Nations development system in technical cooperation?*

Roberto Savio: The UN development system, in my view, is currently in a state of crisis. There is a lack of strategy and conceptualization. Perhaps TCDC can be the pilot to steer development cooperation out of this confusion.

CS: *How can the organizations under your guidance — SID, IPS and TIPS — contribute to the renewal of TCDC as embodied in New Directions for TCDC which was recently endorsed by the High-level Committee for TCDC?*

Roberto Savio: SID, IPS and TIPS are, of course, different programmes, but they have points of commonality. SID, with its network of chapters and over 10,000 members worldwide, is an effective forum for debate, helping to focus on issues of importance, South-South cooperation being one of its important concerns. The 1997 SID World Conference to be held at Tokyo will focus on such issues as gender and cultural issues in the South which will be debated in detail at national and chapter levels before the conference.

IPS, which was founded in 1964, has the primary mission of giving a voice to the South. In the 1960s the information flow was very unbalanced with 98% of the news and information coming from the four main Western news agencies. Now the information flow is more global with the South a major player. IPS has been instrumental in promoting women in the field of information and supporting the capacity-building of journalists from developing countries.

TIPS, as a multi-sectoral information network, has been concentrating on trade and technology and focuses on South-South and South-North exchanges. We hope that TIPS and TCDC-INRES will strengthen their mutual collaboration in the future. ◆

A Greater Need For The UN In A Liberalizing, Globalizing World

The United Nations was established in the 1940s to put an end to war. With the rapidly changing global economy being the most significant force to be reckoned with in the 1990s, has the UN outlived its usefulness? Martin Khor considers the question, and discusses a vision for the organization that would strengthen South-South bonds in the 21st century. He is the Director of Third World Network in Penang, Malaysia.

IS THE UNITED NATIONS STILL USEFUL?

Do we still need the United Nations, an agency set up specifically for States to collectively intervene in humanity's affairs, in a world that is governed more and more by the "invisible hand" of market forces?

The answer is yes, at least as far as the economic and social role of the Organization is concerned. As liberalization, economic competitiveness and globalization increasingly become the processes and operational principles that organize and drive countries, the United Nations is needed more than ever before as an articulator of the opinions and interests of the world public, and to provide a counterweight to these processes on behalf of people and countries that are marginalized by them. Even as it marks its fiftieth anniversary, the United Nations and its agencies play a crucial and indispensable role in helping determine what kind of development and what kind of globalization will take place in the century to come.

Three conditions must be met in order to revitalize the economic and social role of the United Nations. The weaker countries must band together (and get their act together) to reaffirm the role of the United Nations. More importantly, the powerful nations must agree to give it the space, opportunity and authority to carry out its functions. Unfortunately, the present prospects are not bright for meeting these two conditions. The third condition is that the UN and its agencies stand for and act in the interests of the weaker countries, and of the weak and poor within countries. They must not themselves be co-opted by those representing narrow or commercial self-interests; for the UN would then become an accomplice to, instead of a counterweight against, the side of private interests and would thus lose its raison d'être.

Liberalization and a return to laissez-faire

Some influential forces in the North are currently arguing that the UN has little role to play in the economic and social fields; that its main development umbrella, the Economic and Social Council (ECOSOC), is merely an ineffective chamber for speeches and debate, and that some UN agencies should be drastically cut back or closed down. Instead, the world's economic and social policies should be left to the determination and implementation of the Bretton Woods institutions, and to the World Trade Organization (WTO), as they are more efficient, effective and reflective of the market principle which should be accepted by all as the key to running global and national affairs.

This attitude of discarding the UN in favour of market-oriented institutions is an international extension of an ultra-conservative position on national policies that has gained dominance in some powerful Northern countries, particularly in the wake of the Soviet empire's collapse and the ending of the Cold War. It follows a paradigm of extreme liberalization, whose elements include a much-reduced role for government in economic and social affairs, privatization and deregulation, drastic cuts in income taxes and a dismantling of the welfare State. The State's redistributive role, of taxing the better off (and businesses) to subsidize the poor (and consumers of basic services) is in retreat. There is a movement back to the laissez-faire model of the 19th century, within which governments are supposed only to set up and implement rules, whilst leaving the players to get on with their own game. The State's role is to be a traffic policeman, implementing traffic rules, and is not to interfere with who owns what vehicles, or whether society's transport needs are met overall.

It should be remembered that the laissez-faire model, which suited commercial elite interests, faced severe challenges and open revolt from the large segments of society that it pauperized. The social fallout of laissez-faire — in terms of poverty, lack of basic facilities, glaring inequities and thus social and political instability — led to the step-by-step building up of governmental responsibility for social services and security. Following the experience of the Great Depression, the State's economic role expanded further employing Keynesian policies

BY MARTIN KHOR

to combat unemployment. Redistributive fiscal policies were part of this scheme.

It is this social welfare and social security model that has come under attack in some Northern countries, as the conservative elites are no longer willing to pay income taxes to finance social programmes. The cutbacks in government social spending has led to increased poverty, homelessness and inequities in those societies affected, and has contributed to high unemployment. Increasingly the State is also prevented from interfering with the way businesses are run. In some countries, environmental and safety laws are being dismantled or diluted, whilst affirmative action on behalf of disadvantaged groups is under attack.

Transfer of liberalization to the South

The liberalization model and process has now been transmitted to countries of the South as well as to the arena of international relations. Many developing countries have adopted liberalization (and the accompanying reduction in State expenditure, privatization and deregulation) as the centerpiece of the structural adjustment programmes (SAPS) designed by the International Monetary Fund and the World Bank as a condition for external debt rescheduling or new loans.

The adoption of this model replaced many of the previous policies of those Southern governments that had believed in intervening to strengthen the domestic economy and to provide social development. The combination of crushing external debt, the loss of much-needed resources to service these debts, and the adoption of SAPS, have caused many developing countries to suffer declining incomes, cutbacks in health, education and social services, growing poverty, unemployment, social disintegration and political unrest.

If liberalization has enlarged social problems and inequities in the richer Northern societies, it has had much more severe repercussions on the poorer Southern countries which had much higher levels of poverty and fewer resources to begin with. Whilst a greater degree of liberalization, carefully planned and phased, may be useful for countries with sufficient capacity for private-sector growth to take up the slack, for many other countries it has resulted in an economic vacuum with increased marginalization and despair for poor and ordinary people.

The UN's role within the aid and compensatory framework

In international affairs, the liberalization process has also eroded the principle and practice of development aid and support that, until recently, had been accepted as part of the responsibility of the international community. The need for the United Nations to intervene on behalf of weak and poor countries had been recognized from the birth of the Organization itself. It was accepted, at least in rhetoric, that the ex-colonies had to be helped to recover from the colonial experience and to build strong domestic economies so that in time they could participate more equally in the international economy and global affairs.

A social welfare and redistributive model was adopted whereby aid provided by the rich countries (supposedly to reach an agreed target of 0.7 per cent of their GNP) would help finance the South's development. A significant amount of these funds were channelled through the UN agencies — the United Nations Development Programme (UNDP), sourcing general development and dispensing policy advice, the United Nations Conference on Trade and Development (UNCTAD), the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Environment Programme (UNEP), the International Labour Organization (ILO), the Food and Agriculture Organization (FAO), the United Nations Industrial Development Organization (UNIDO), and so on — and their programmes were funded mainly on a grant basis. The General Assembly and ECOSOC were set up as the political fora where global social and economic issues would be discussed and decisions

made. Away from the formal UN system, though part of the UN family, the World Bank was to finance development projects with concessionary loans, whilst the IMF was to maintain the fixed exchange rate system by providing short-term finance to countries with balance of payments difficulties.

To some extent this was what happened, but not to a satisfactory degree. Except for a few countries, Northern aid did not reach the targeted amounts. Whilst the various UN agencies took on their respective roles, these were compensatory in nature and did not entail altering the basic global structures. The powerful countries were not prepared for any fundamental change in the prevailing order of international economic relations or structures which they dominated and wanted to continue dominating.

For a brief moment in the 1970s, in the wake of OPEC's successful attempt to raise oil prices, the developing countries collaborated to advocate a "new international economic order" (NIEO), with proposals to reform the terms of international trade, investment and technology transfer. Despite the passing of UN declarations on the NIEO, these plans were eventually rejected by the North.

It was clear that measures (practical, legal or structural) to alter the fundamental economic equation would not be allowed.

The most concrete of the measures was the attempt made through UNCTAD to improve the Third World's terms of trade by establishing commodity agreements that would ensure stable and adequate prices. Several producer-consumer agreements were set up, as was a General Fund for Commodities. But these succeeded only to a limited degree and only for a short time. Over the past decade, the rich consumer countries pulled out of most of the agreements, which then collapsed. It was after all in the direct interest of the North if the prices of raw materials they imported were to remain low. Commercial self-interest was given a higher priority than international partnership. Since that time, the prices of Third World commodity exports have plunged in comparison with those of manufactures, and have recently been at their lowest historical comparative level.

Instead of reform, the Northern countries agreed to non-binding aid and compensatory mechanisms and institutions, including support for the UN agencies. These would give expression to the sentiment of giving their weaker brethren a helping hand with the understanding that this would be for the good of everyone, both the givers and the recipients. The UN assemblies, conferences and conventions could continue to be a forum for developing countries to air their grievances and needs, while UN agencies would give grants for various aspects of development. Aid can only have a compensatory function and an unsatisfactory one, because annually up to US $500 billion of resources are flowing from South to North due to terms-of-trade losses, debt servicing, repatriation of profits, royalties and technical payments, capital flight and brain drain. Moreover a large part of aid — which at US $50 billion a year is already only a tenth of South-North resource flows — is in the form of repayable loans or military and non-development-related expenses, so that the development benefits are less than they would appear.

Nevertheless, that part of aid which sustained the UN's economic and social activities and agencies has, up to now, played a generally useful role in helping build the South's development capacity. Besides its attempt to improve commodity prices, UNCTAD has helped developing countries with technical assistance and policy advice to strengthen their trade, financial and development performance, acting as a kind of "economic secretariat" for the South, in preparing these countries for North-South dialogue and negotiations, and for South-South cooperation. The UNDP is tasked with building up the domestic development capacity and institutions of Southern countries, recently evolving a framework for implementing "sustainable human development."

WTO rules have given greater rights to transnational corporations, at the expense of developing countries.

WHO, working under its Alma Ata Declaration, had striven to meet the goal of "Health for all by the year 2000" through a comprehensive approach that included primary health care, provision of basic facilities such as water and sanitation and combating various diseases. Using children's rights and issues as an entry and rallying point, UNICEF has also sought to promote access for the poor to social facilities, and has taken a leading role in exposing the ill effects of structural adjustment programmes, while helping develop environmental policy and enforcement capability in Southern countries, as well as important international environmental agreements.

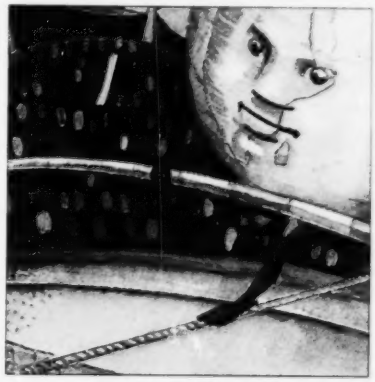
Meanwhile the UN has also provided a valuable forum for the airing of major global problems through its world conferences (such as on the environment in 1992, human rights in 1993, population in 1994, social development and women in 1995). The conferences and the follow-up activities through the Commission for Sustainable Development and the Climate Change and Biodiversity Conventions following the United Nations Conference on Environment and Development (UNCED) have generated new trends in policy thinking and in programme directions.

The decline of aid, and the UN's influence

It is true that aid, including the aid which funded the programmes of UN agencies, has often had damaging environmental and social effects. For example, FAO has promoted some forestry programmes which contributed to tropical deforestation, and helped introduce chemical-based agriculture (which today is widely recognized as "unsustainable") to many developing countries.

Aid needs urgent reform and its quality should be improved tremendously. But this is not the same as saying that aid should be cut down or eliminated. Instead, the volume of aid should be increased towards the targeted 0.7% of Northern GNP, whilst simultaneously initiating a serious exercise to reform aid principles and upgrade the quality of aid.

It is also true that in a more ideal situation, aid should not and need not be on the global agenda, if other aspects of the international economic equation (trade, finance, technology, investment) were more balanced. But given the present imbalance and inequalities, which the North is unwilling to correct, aid has become a symbol of Northern commitment to help offset some of the inequities by providing a kind of "safety net", however inadequate, for the South.



In recent years there have been two impulses pulling the prospects for aid and international cooperation (and thus the role of the UN) in opposite directions. On the one hand, there has been the rise of political and economic conservatism in some major Northern countries, a sentiment in favour of reducing or discarding aid and North-South cooperation. This trend has accelerated with the end of the Cold War: the West no longer sees the need to woo the South with aid and dialogue as there is no longer a Soviet camp for the weaker nations to run to. Preoccupied with reducing their budget deficits whilst maintaining the stand not to raise taxes, many Northern governments are geared towards slashing the overseas aid budget, including funds for the UN.

On the other hand, there is the realization amongst large sections of the Northern public and the Northern establishment that serious global problems have emerged that could threaten global stability, security and even survival. High on this list is the environmental crisis, concern for which led to UNCED (or the Earth Summit), a process which was taken very seriously by governments and the public in both Northern and Southern countries. UNCED was a watershed in reviving awareness of the inextricable link between global ecological and economic problems. The South could do its part in the transition to environmentally-sound development only if it had more economic resources. It was the North's responsibility (as well as in its interest) to help provide these resources through more structural measures, such as greater debt relief and better terms of trade. The only remaining recourse was for Northern countries to pledge to significantly raise aid levels, as close as possible to the targeted 0.7% of GNP. The awareness of the importance of North-South partnership, was to be symbolized by a commitment to more aid, or "new and additional resources."

This clash of conflicting impulses is important to understand, for the two impulses represent different attitudes in the North and the resolution of this conflict will largely determine the future directions for international cooperation. Alas, the "Spirit of Rio" did not last very long at all. Instead, the first impulse overcame the second, and 1993 saw a drastic change in attitude towards aid and an erosion in aid volume. Aid from the countries members of the Organization for Economic Cooperation and Development (OECD) fell from US $61 billion in 1992 to $56 billion in 1993, and 14 out of 21 donors decreased the share of aid in their GNP. Since 1993 the situation has worsened further with continuing aid cuts in many donor countries.

The attitude change towards aid and international economic cooperation has also affected the UN adversely. Non-payment of financial contributions has resulted in continuous problems for the UN Secretariat. Donor funds to several UN agencies have been significantly cut, and these agencies are having to retrench staff and reduce their programmes. These moves are already affecting the size and effectiveness of the economic and social activities of the UN, with detrimental repercussions for the South. There are also proposals, mainly from Northern governments and institutions, to close down some UN agencies, including UNCTAD, and even to abolish reforms establishing equivalent institutions. These proposals would be disastrous for people in the South.

Basic differences between the UN and the Bretton Woods — World Trade Organization approaches

The downgrading of the social and economic functions of the UN has been done in the name of efficiency, the need to cut down bureaucracy, duplication and waste. These are merely rationalizations, for simultaneously the costly security and peace-keeping functions of the UN have been upgraded. More seriously, in the same economic and social fields, the roles and activities of the Bretton Woods institutions and the General Agreement on Tariffs and Trade (GATT)/World Trade Organization (WTO) have been tremendously boosted. What is happening, in fact, is a shift in resources and authority away from the UN and its agencies and a simultaneous transfer of these to the World Bank, IMF and WTO.

As discussed earlier, the original function of IMF was the provision of guidance and loans to trade-deficit countries (including the Northern ones) to allow them to defend their currency levels. When the fixed exchange system collapsed in 1972, IMF's role was left in question. It found a new function in the 1980s as a provider of loans to indebted developing countries requiring debt rescheduling, and more importantly as policy formulator and monitor of stabilization and structural adjustment programmes which recipient countries had to accept. The World Bank's original role was the provision of development project loans. In the 1980s it began to take on the additional function of giving loans conditioned upon structural adjustment programmes to indebted countries. Both institutions had great leverage because it is on their advice that commercial banks decide on rescheduling existing and on granting new loans for the developing world. The World Bank's policy advice and lending has extended to new areas including the environment and health, even as the UN agencies dealing with these sectors face severe financial and manpower cutbacks.

WTO, which came into force in 1995, is the embodiment of the vastly expanded role given to GATT through the Uruguay Round agreement. GATT had only been a provisional agreement, while WTO is a fully-established institution. While GATT had dealt only with rules relating to international trade-in-goods, the Uruguay Round has empowered WTO to also set and enforce rules on services, investment measures and intellectual property rights. These rules have given greater rights to transnational corporations, at the expense of developing countries, whose markets will be rendered more open, while at the same time their attempts at technological development will be curbed by the protection given to the corporations through tighter laws on intellectual property rights. Attempts are now being made by Northern countries to further widen the WTO's scope to include such issues as the link between trade and environment, labour standards and foreign investment regimes.

The exercise of depleting the UN and its agencies whilst upgrading Bretton Woods-WTO is not a mere replacement of one set of bureaucracies by another to carry out similar functions. There are very basic differences between the two sets of agencies in philosophical underpinnings, governance, management, approach, policy framework and programmes. The governance of the UN is on a one-country/one-vote democratic basis. Its operations and decision-making process are transparent, and since the majority of the countries are of the South, they are able to have an influence corresponding with their numbers. Since financing of the UN Secretariat and agencies are through government contributions and grants, they do not need to be driven by profit or commercial interests. The programmes of UN agencies are meant to be (or at least have a greater chance to be) "country-driven," in terms of being tailored to meet the needs of individual countries. Most projects are conducted on a grant basis or have a high subsidy content, and rely heavily on public sector implementation.

In the UN approach, there is implicit and explicit understanding that States have the primary responsibility to ensure that the poor majority in their countries have access to basic facilities, irrespective of their ability to pay. The role of the UN is to reaffirm the rights of people to fulfill their basic needs. To help in the realization of these rights, it is recognized that redistributive policies and mechanisms are required. The UN agencies operate as part of the redistributive mechanisms at the international level and are meant to augment the States' redistributive mechanisms at the national level.

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The UN framework also recognizes the need for developing countries to overcome the adverse effects of colonialism on their economic, social and cultural structures, and to build up their national capacity for implementing appropriate development strategies. It further recognizes the imbalanced nature of the international system and the need for South-South collaboration and North-South partnership to redress imbalances through structural reforms, aid, and financial, trade and technology access concessions. These themes run through many of the discussions at UN assemblies, conferences and meetings. They also form an important part of the rationale and goals of many UN agencies.

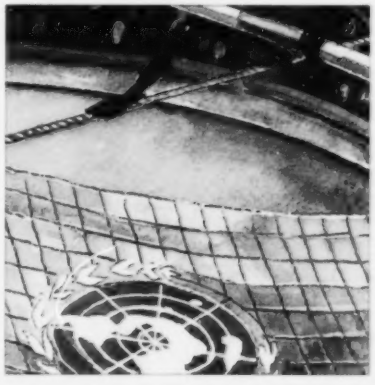
On the other hand, the governance of the Bretton Woods institutions follows the one-dollar/one-vote principle. As such, decision-making control is by the Northern countries that own a majority of the equity, with developing countries having a minor role.

These institutions are Secretariat-driven in policy, and have been widely criticized for designing their stabilization/structural adjustment plans in Washington without adequate consultation with, or the participation of, the loan recipient countries. Being commercially-driven organizations, their policies and projects are designed so that the loans are repaid with an adequate yield. Even if they would like to be more development-oriented, IMF and the World Bank will always face the built-in constraints of being first and foremost commercial

institutions with the highest priority given to getting adequate returns on their investments.

The structural adjustment programmes, as discussed earlier, are biased towards liberalization, deregulation and privatization; and towards a drastic reduction in public sector functions. The main concern of the financial institutions is to attain "financial balance" in government budgets, and in the balance of payments account. That the methods used to achieve this may have serious adverse effects on social development or growth is of minor significance to these institutions. Social and even development objectives have therefore often been subjugated to financial imperatives. The redistributive role of government is depleted, while reliance on market forces is greatly enhanced. The social fallout is viewed as an inevitable side effect. Instead of being prevented through a balanced designing of adjustment programmes, a "safety net" approach (of compensatory measures) is adopted.

In the GATT/WTO system, governance is theoretically through consensus decision-making of the contracting parties. In reality, as the long closing stages of the Uruguay Round showed, key decisions are made by the major trading countries (the United States, the European Union and Japan) — which often reach agreement among themselves, consult with other big trading countries and then oblige the majority of parties to sign on. Small and middle-sized countries find they have little real influence. Decision-making processes are also not publicly transparent. The important countries are heavily influenced by their big corporations, which now successfully play a crucial role in setting the negotiating agenda.



As a result, the already asymmetrical nature of GATT has, after the Uruguay Round, become even more imbalanced against the South and against development interests. There is an erosion of the "development principle" and of special treatment (whereby developing countries are allowed exemptions, safeguards and less strict adherence to disciplines), as well as of trade preferences. WTO is newly empowered to accelerate the liberalization of services and investments in developing countries, which are now concerned that resultant competition from transnational companies (now afforded greater technology monopoly through intellectual property rights laws) could erode the market of local enterprises and threaten their viability.

These recent developments in GATT-WTO will accelerate the opening up of developing countries to market forces. When liberalization is also coupled with rapid globalization, this will mean an increasing share of domestic economic activities going to transnational companies and being dependent on the flows of external trade and capital markets. Perhaps those developing countries that have a strong enough domestically-owned or managed economic capacity and sufficient policy experience in dealing with the vagaries of the world market can take advantage of and even thrive in this highly competitive globalization process. But the vast majority of Southern countries are not ready to open up their local enterprises to competition with the giant corporations. They will require more time, experience, a strengthening of domestic capacity and the negotiating strength to bargain for these. They are likely to find that WTO is not a friendly venue for realizing these goals, for its priority is to push forward the frontiers of free movement of trade and capital, to extend the freedom and space of transnational corporations and to reduce or remove the right of governments to restrict this corporate freedom.

Reasserting the role of the UN

The above carries the serious implication that development goals such as growth, poverty eradication, social equity and access to basic facilities and employment will be seriously compromised. It is widely accepted that the realization of these goals requires a significant degree of State intervention in the economy, as the market by itself cannot, for instance, bring the economy into full employment equilibrium. Moreover, as a result of its bias towards catering to the elite and middle classes (who have the purchasing power), the market cannot take care of the social needs of the poorer sections of society, which in many countries form the majority.

If the resources and influence of the UN wane further, its approach entailing domestic capacity building, redistributive policies and social development programmes will be ever more replaced by the harsh actions of the market, in which individuals matter correspondingly to what capital or skills they can offer, and how much purchasing power they can bring to bear. Development as the central operating principle will be replaced by laissez-faire, or maximum rights to corporations and the market. The goal of development will be displaced by the means of the market. Large sections of the population that are unemployed, unskilled and poor will likely find they have few rights and little space in their market-dominated society, and that increasingly the welfare programmes, subsidized health and education services and other so-called safety nets will be reduced or disappear. Thus, even the compensatory measures, which only inadequately offset the adverse social effects of the market, may wither away.

This scenario is already a reality in many Third World countries and increasingly in some Northern countries as well. In recognition of the present and potentially greater adverse social effects of globalization and liberalization, the UN, in March 1995, convened the World Summit on Social

Development, attended by 187 countries, 115 of which were represented by Heads of State or Government. The Summit's Copenhagen Declaration, in addressing the impact of globalization (para. 14), acknowledges that it has brought some benefits, then goes on to recognize that: "The rapid processes of change and adjustment that have been accompanied by threats to human well-being, such as environmental risks, have also been globalized. Furthermore, the global transformations of the world economy are profoundly changing the parameters of social development in all countries. The challenge is how to manage these processes and threats so as to enhance their benefits and mitigate their negative effects upon people."

The Declaration states that the insecurity that many people face about the future is intensifying, and notes, among other things, that in many societies: the gap between rich and poor has increased; the gap between developed and developing countries has widened; more than one billion people live in abject poverty; a large proportion of people have very limited access to income, resources, health care, or nutrition; over 120 million worldwide are officially unemployed and many more are underemployed, and; millions of people are refugees or internally-displaced persons (para. 16).

During the Social Summit process, Southern governments and non-governmental groups emphasized that external debt and structural adjustment programmes were major factors causing poverty, unemployment and social disintegration. Concerns were also prominently raised about how the policies of the Bretton Woods institutions often contradict the approach and policies adopted at UN assemblies and conferences, and about the lack of accountability of these institutions.

In addressing these concerns, the Copenhagen Declaration and Programme of Action (para. 91), in carefully-worded language, called on governments to ensure that: in structural adjustment programmes, social development goals are included; basic social programmes and expenditures are protected from budget reduction,; and; the impact of structural adjustment programmes should be reviewed to reduce their negative effects and improve their positive impacts.

The Declaration also called for, "promoting and strengthening the coordination of United Nations system activities, the Bretton Woods institutions and WTO at the global, regional and national levels in the area of economic and social development programmes" (para. 98). It also stressed the need for the UN to develop a framework for international cooperation to follow up on, and to implement, the outcome of the Social Summit and the other recent major UN Conferences, and gave special emphasis to the policy-making and coordinating role of the General Assembly and ECOSOC.

From above, it would appear that top political leaders are in general aware of the critical (and worsening) state of social problems such as poverty, inequality, unemployment, marginalization of vulnerable groups and social disintegration; and that in the globalization process, economic problems such as debt and liberalization policies (as contained in structural adjustment programmes) are major contributory factors.

Ideally, the different global entities (the UN, the Bretton Woods institutions and WTO) should have a continuous dialogue, and should moreover coordinate their approaches as envisaged by the Social Summit, so as to realize its social development goals. However this seems unlikely, at least in the near future. The World Bank has made it clear that as a financial and commercial institution, its operational principles are different from those of the UN and that its mandate gives it the authority to function independently. The President of the World Bank, James Wolfensohn, told the ECOSOC session in July 1995 that he was willing to cooperate more with the UN, but would not take policy guidance from it. As he put it: "I am happy to work with you, but I don't want or need guidance from you. I want to work with you but not to be coordinated by you."

The UN must be able to take the lead: from merely offsetting the social fallout of unequal structures and liberalisation, to fighting against the basic causes of poverty, inequities, social tensions and unsustainable development.

If coordination, even on equal footing, between these institutions is not possible (or not yet possible), at the least the United Nations and its agencies should be given the opportunity and resources to maintain their identity, to have their approach and development focus reaffirmed and to strengthen their programmes and activities. In particular, those Northern countries that have downgraded their commitment to the UN should reverse this attitude, and instead affirm its indispensable and valuable role in advocating the social and developmental dimension in the process of rapid global change. The world, and especially the developing countries, require that this dimension be kept alive and indeed greatly strengthened, otherwise there is a danger that a monolithic laissez-faire approach, shared by the World Bank, IMF and WTO, will rule in monopolistic fashion. Given the nature of liberalization and the rapid pace of its spread through globalization, the negative social trends noted in the Social Summit Declaration are likely to spread further, even if the UN continues with its social and economic activities at the present level.

Only a great strengthening of the UN will allow it to play its

compensatory role more significantly and effectively. But of course a complementary safety net function is the minimum goal that should be set for the UN. For the South, and indeed the international community, to make progress towards redressing the basic inequities in the international system, the UN must be able to take the lead — from merely offsetting the social fallout of unequal structures and liberalization, to fighting against the basic causes of poverty, inequity, social tensions and unsustainable development.

As part of a revitalization exercise, there must also be a review of, and reform in, the polices and operations of UN agencies, to cut down on over-bureaucratization and to change outmoded policies and programmes that contribute to environmental damage without yielding positive social results. The UN and its agencies also need to be ever more relevant in a flexible, action-oriented way that caters to the present and changing needs of the world community, especially its poorer sections. Such a review and revitalization exercise can be usefully done in the context of drawing the conclusions and planning the follow up to the several major UN conferences held in recent years. Without reform, the UN is unlikely to be able to meet the challenges of the future.

Moreover, it is vital that the UN continues to promote development, an equitable world order and the realization of human and development rights as its central economic and social goals. There is a danger that some UN agencies (and the Secretariat itself) may be influenced by conservative political forces in joining in the laissez-faire approach, or merely to be content to play second-fiddle by enforcing the adverse social effects of laissez-faire policies promoted by the other agencies. If it does join in with the market ideology in order not to be left out, the UN would no longer be a bulwark against the monolithic or monopolistic approach to globalization, and that, as discussed earlier, would leave a large part of humanity without protection. The goal of the UN should therefore be to keep true to its mission of development and justice for the world's people and to always advocate policies and programmes that promote this mission, otherwise it will lose its credibility and its reason for existence.

The South needs to defend the UN and coordinate itself

It is the people of the South who most need a revitalized, reformed and strengthened United Nations. Southern governments have to play the greatest part in defending and enlarging the role of the UN, especially since it is coming under attack from certain forces in the North.

Countries of the South, at many different fora, have collectively reaffirmed their view that the social and economic role of the UN and its agencies is even more necessary in view of globalization. At a meeting of the Trade and Development Board in September 1995, Colombia's Ambassador Guillermo Alberto Gonzalez, speaking on behalf the Group of 77 and China, said that UNCTAD should remain a counter-balancing force to ensure bold and innovative plurality of thinking, especially when such thinking is in danger of being increasingly dominated by the Bretton Woods institutions. Any attempt to reduce this role of UNCTAD should be resisted. UNCTAD as an institution should be empowered to exercise its development mandate fully, particularly in the light of the globalization of the international economy and the deepening interdependence among States and their implications for the future of developing countries. He added that the Group of 77 and China remained committed to UNCTAD as an institution that had attained greater relevance as a result of the creation of WTO, which has itself reinforced the need for a policy-oriented trade forum with a strong development perspective such as UNCTAD.

While countries of South have spoken up, they have to do even more to assert their belief in the role of the UN, and to intensify the fight to reverse its decline. They should also strengthen South-South cooperation, with the support of UN agencies such as the Special Unit for TCDC of UNDP and the ECDC unit of UNCTAD, as well as through their own mechanisms and organizations. This cooperation should include an increase in trade, investment and communications links at the bilateral level and between regions, as well as joint projects involving several Southern countries.

Equally, perhaps even more urgently required, is South-South cooperation in the area of policy coordination to reach commonly held positions. This is especially because policies that were formerly taken at the national level as the prerogative of national governments, are increasingly being made at fora, institutions and negotiations at the international and regional level. Without a more effective collective voice at such international fora, Southern countries will find that their national policies on economic, social, and cultural matters are increasingly being made and dominated by the more powerful Northern governments and the institutions they control.

Policy coordination among Southern countries is urgently required in such areas as advocating the strengthening of the role of the UN in the face of the current attacks against it, following up on the Social Summit's call for a review of structural adjustment programmes, reforming the structure and policies of the Bretton Woods institutions and negotiating more effectively in WTO as well as at UN conferences and meetings. Even if aid is no longer flowing from the North, the South should mobilize resources of its own to facilitate the expansion of South-South communications, cooperation and coordination.

In the end, the efforts of Southern governments, non-governmental organizations and people to organize themselves, and to hold discussions with the North, will have a major bearing on the future of the social and economic role of the UN. Just as people get the government they deserve, so we, if we do not act strategically, may get the United Nations we deserve. ◆

Idealistic Notions for a Realistic World: The Case for South-South Cooperation

With the rise of regional trading blocs and powerful new kinds of economic action by multinational corporations and with North-South development financing decreasing, what is the potential for South-South cooperation? David Delman, a recent UNDP intern and a student at the University of California, Berkeley, specializing in development studies with a focus on poverty alleviation, looks at the future of international linkages in the developing world.

With nearly half of Africans in absolute poverty and with millions dying from malaria and AIDS; with street children running wild and drugs prevalent throughout South America; and with the environmental catastrophes associated with the rapid industrialization in South-East Asia, it is understandably difficult to be optimistic about the future for developing nations. Equally disturbing is an on-going technological revolution that gives access to improved international communications tools, moving the industrialized world to a new level of development while ignoring the masses in the developing world who do not even have access to clean water.

This separation of worlds has been complicated and accentuated by new global realities such as transnational corporations (TNCs). National borders and national governments are progressively losing significance as a result of the increased power of these international actors, thus creating a void in the application of international governance.

With governmental authority questioned, there is potential for a greater degree of chaos than already exists within our global "anarchical society".[1] The growth of conflicts within countries as a result of the end of the Cold War has led to a huge increase in the number of refugees worldwide. The spread of AIDS, the growth of international crime and terrorism and the spread of the international arms trade are problems that today are viewed as unsolvable. International pollution - resulting from the structural adjustment programmes imposed on many developing nations, the rapid industrialization by the newly industrialized countries and the high consumption rates and dumping policies of the North - is another major dilemma for those interested in bettering the world through international governance. Given the interdependence of the world economy, a recession in the industrialized world can have devastating effects upon the developing world.[2]

Coupled with the worldwide movement on the part of States towards liberalization, this anarchical situation will inevitably lead to social problems. Since corporate interests drive the most powerful States, they in turn drive both regional and international organizations. Hence the trend among each of the latter actors towards liberalization of markets through free-trade and deregulation. The South Centre explains that, "Marketization and liberalization of the world economy, and the dismantling of the prudent regulations that were in place during the 1950s and the 1960s, have increased the difficulty of exercising economic control in any given economy in the interests of social objectives."[3] In fact, we are moving towards a situation in which we are dominated more by markets than by governments, one that will not necessarily provide for those marginalized by this change. Social programmes, especially those that are purely charitable, can hardly be justified on economic terms. In human terms, however, no one should be confined to the hell of hunger and poverty.

The need for South-South cooperation

With an increase in the importance of international actors today, inclusion of the South in policy-making is all the more essential.[4] The least developed countries will be marginalized to a greater extent if the current core/periphery dynamic collides with globalization. Further, globalization of corporations, of non-governmental organizations, of information and of international standards for war crimes, peace-keeping and trade indicates that individuals will be directly affected by international actors. As a result, South-South connections are becoming all the more vital. Developing countries face more dire consequences if they continue to be left out of the changes sweeping the world today.

But how does one define this South? Given the advances of the South-East Asian countries known as the newly industrialized countries (NICs) together with the economic failures of many African countries, there is no longer any clear distinction between a rich North and a poor South. Such a distinction has been further clouded by the advent of new global realities. With the increased power of international corporations which account for approximately one-third of world output, and of

BY DAVID DELMAN

non-governmental organizations which both guide and provide, national boundary lines are becoming less significant. Nevertheless, there is a common ground of historical similarities and present day realities that help to define a South.

The power of States

While new international actors are rising, sovereign States still dominate international relations. Decisions that have global consequences continue to be motivated by a "national interest." Roberts and Kingsbury write that the United Nations was "created by governments, and it can do little without the assent of at least the majority of them. This view is a necessary antidote to the widespread misapprehensions that the United Nations is in the process of superseding the State system and that the United Nations can and ought to take strong action on its own initiative irrespective of the views of its member States."[5] Unfortunately for those with less power on a global scale, this viewpoint has meant domination by a few countries.

On a bilateral basis, powerful states from the North can use various diplomatic methods to ensure their authority to govern multilaterally. The most common method is by making requirements of countries seeking direct foreign assistance i.e., World Bank /IMF structural adjustment programmes (SAPs). Similarly, removal of a Northern trading partner from a bilateral trade arrangement could elicit devastating consequences for a developing nation. Moreover, given the importance of military protection of the South by the North, there is a great deal of pressure on the nations of the South to go along with the status quo.

States have also ignored international agreements that they felt would limit their power. There are a plethora of examples of this situation, such as the difficulties involved in persuading some of the countries most responsible for pollution to sign the United Nations Framework Convention on Climate Change. With regard to the United Nations, the richest countries of Western Europe and the United States are generally content to either leave the Organization in its present underfunded situation or to limit its mandate. They see the United Nations as important in security matters, but as having a minimal role in other areas. When referring to the United Nations, President William Clinton of the United States will often express his desire for an organization "that wastes less and produces more."[6] This is a euphemism for the US move away from an organization where their policies will be challenged, towards other, more unilateral, means of international governance. Clearly, reform and democratization of the institutions of the United Nations system have been stymied by the lack of effort shown by those currently wielding the greatest amount of power. Proposals among the richest countries to change the composition of the Security Council have only mentioned Japan and Germany as contenders for this position. While this is supposedly seen as a proper reflection of the realities of the modern international system, the inclusion of these two industrialized nations does not account for the independence over the past five decades of scores of countries who comprise the greatest proportion of the world's population.

While developing countries desire a strengthened and more democratic United Nations, they are also concerned about the extent to which they were excluded from the recent Uruguay Round of the General Agreement on Tariffs and Trade (GATT) negotiations. Robert M. Doussou, Benin's Minister for Foreign Affairs and Cooperation, explained that, "with regard to international trade, the mixed results of the Uruguay Round give little hope that, within the framework of international trade, our countries will soon emerge from the marginalization in which they have existed since the late 1980s". The Minister cited a study by the Organization for Economic Cooperation and Development (OECD) in which Africa was predicted to lose over $2 billion by the year 2002 as a result of this agreement.[7]

What is pressing about inclusion?

Given a shift in power away from nations, all countries will be affected by the new international agencies on a more egalitarian basis and should therefore have an equal voice on how

these new groups will operate. In the United Nations Chronicle, a portion of a speech of President Ion Iliescu of Romania to the General Assembly was paraphrased to say, "There is 'no greater threat' to international peace and security than the 'widening gap between the rich and poor States', which could cause uncontrollable massive population migrations from the underdeveloped areas to 'much smaller zones of prosperity' in Europe and North America. It is in mankind's general interest to prevent such a prospect by 'eradicating underdevelopment and promoting the economic growth of the developing countries.'"[8]

Transnational corporations rising

While the industrialized States tend to be dominated by these domestic corporate interests, the developing world has recently been held captive by the growth of the transnational corporations (TNCs).[9] The World Investment Report 1994 explains that, "combining the domestic assets of TNCs with the assets of foreign affiliates suggests that as much as one-third of world output is under the common governance of TNCs and hence potentially part of an integrated international production system - the productive core of the globalizing world economy."[10]

Even nations that can force their domestic companies to comply with government regulations do not hold TNCs to the same standards. Profit-driven TNCs base their decisions regarding location on the availability of cheap labour, infrastructure and on taxation and regulation in various countries. Often, this dynamic results in the payment of minimal wages that are insufficient to support families, inadequate working conditions as well as long hours of work. A developing nation that is hungry for foreign capital does not want to discourage foreign investment by forcing taxation, a minimum wage and the regulation of working conditions upon these companies. Faced with an obstacle, TNCs can simply take their business elsewhere. In the system that now exists, TNCs are less accountable for their actions. Insufficient attention is paid to the degradation of the environment and human health.

A developing nation that is hungry for foreign capital does not want to discourage foreign investment by forcing taxation, a minimum wage and the regulation of working conditions upon these companies.

Ironically, an opportunity for activism presents itself as a result of the self-serving actions of TNCs. If in fact there is pressure on TNCs in that their actions are opposed, why wouldn't governments which neither represent the people nor respond to their needs also be challenged? Apart from apathy, containment of this paradox may in part account for the lack of disciplinary action against TNCs by governments. Unfortunately governments which are apathetic regarding TNC control are unyielding when it comes to exposing the environmental and human negligence associated with TNCs that so easily parallel the actions of most national governments.

Imminent disorder

While a humanitarian perspective is important to consider in a world dominated by capitalism and competition, there is also a practical argument that chaos will result from the continuing disparities between the rich and the poor that exist today. Extrapolating from Franz Fanon's "movements of rage" (in The Wretched of the Earth), Robert Kaplan explains that the future security of the world will be determined by the anger of the developing world.[11] William Schulz, Executive Director of Amnesty International, USA, exclaims that "to fail to respect human rights" is to lead the world towards "constant political instability and conflict".[12] Given recent trends in the evolving balance of power between States, these foreboding notions of political unrest on the part of those generally removed from power is difficult to envisage as a realistic near-term possibility.

The Role of the United Nations and other international agencies

As a response to global challenges, the original mandate of the United Nations as a monitor of statist behavior should be gradually expanded to include a role as a facilitator of newly-empowered international regulatory committees such as the Intergovernmental Panel on Climate Change, the International Tribunal on War Crimes and the World Trade Organization (WTO). Eventually, a more interconnected world will further necessitate international oversight of conflicts and concerns of regional actors, the activities of transnational corporations and non-governmental organizations, and violators of international law. Over the past fifty years the position of the Secretary-General and of the United Nations as a whole has been determined by a few powerful States.

How the South is suppressed

The developing world is viewed as often reluctantly following the policies of international governance that are formulated by the industrialized world. In a book published in conjunction with the Ford Foundation and the Dag Hammarskjöld Foundation, Childers and Urquhart write that "...all delibera-

tion and all negotiation throughout the United Nations system is continuously hampered by a serious imbalance in the capacities of the two major groupings of member States."[13] Martin Khor, Director of the Third World Network, explains how the industrialized world can take advantage of this unequal situation. "In the General Assembly and various United Nations agencies where the system of governance favours the South (which forms the majority), there has been a downgrading of the importance of social and economic policy or implementation activities. This has been achieved by the watering down by Northern countries of the positions put forward by the Southern countries or their umbrella organization, the Group of 77 (G-77) developing countries; by the non-implementation or selective implementation of action proposals and programmes agreed upon by consensus; and by eliminating or downsizing those aspects of United Nations programmes that are of practical importance (such as the commodity agreements negotiated and operated under the United Nations Conference on Trade and Development (UNCTAD)."[14]

Developing nations view the United Nations as a key actor in the field of international governance and wish to democratize and strengthen the organization. The Cold War era of bipolar hegemony is over, yielding bolder initiatives from many developing countries on this subject. Specifically, there are proposals for restructuring the Security Council to include developing nations as permanent members and for a reform of the General Assembly to make its work more than symbolic. During a 1994 meeting of the General Assembly, many African nations expressed the feeling that inclusion of an African nation as a permanent member of the Security Council is a priority. The Prime Minister of Lesotho, Ntsu Mokhehle, explained that this should be done within the context of reforming international organizations. "United Nations organs such as the Security Council need to be revitalized and democratized so that they may become more representative of the regions encompassed in the Organization."[15]

Developing countries also complain of exclusion by the industrialized world in trade agreements and with international agencies like the World Bank, the International Monetary Fund and independent regulatory commissions that affect them. Unfortunately, a lack of unity has created an "every nation for itself" situation causing developing nations to fight for a place on the Security Council instead of joining together to demand fully equitable geographic representation. Realistically, while the prospects for South-South cooperation are slim, the chances that the industrialized world will consider their proposals seriously are slimmer.

Towards regionalization

Power structures in the developed countries are clearly moving towards regional blocs. Military and economic cooperation of this nature is the wave of the future. Regional groups already play a key role in creating free-trade blocs and security partnerships. Examples can be found in every continent and in nearly every country around the world. The expansion and creation of the European Union, the North American Free Trade Agreement and the Association of South-East Asian Nations (ASEAN) exhibits the new ability of such organizations to decide the economic and social fate of their represented regions.

South-South regionalization

A similar trend can be found in the developing world. The South American Common Market (MERCOSUR) in Latin America and the Organization for African Unity (OAU) in Africa have shown their commitment to foster subregional cooperation as a forerunner to full regional integration. A treaty for economic cooperation signed by the OAU members in 1991 explains this view. "During the first stage, member States undertake to strengthen the existing regional economic communities and to establish new communities where they do not exist in order to ensure the gradual establishment of the Community."[16]

There is a debate as to whether the South should concentrate on South-South or North-South cooperation. Like the trend in the North, the future of South-South cooperation is first and foremost a regional future. Some advocates for the South look for leaders within the developing world itself. They see potential trend-setters in South Africa and Nigeria, for example.[17]

Others argue that the economies of neighboring developing countries tend to be too similar for comparative advantage to work to its fullest. For example, while a number of northern donors support South-South cooperation, generally their main development strategy remains North-South in nature. Perhaps such sponsorship is in support of their own nationally-oriented economic goal of opening up new markets for themselves, given their view that a central South-South cooperative unit is impossible and impractical.

In reality, South-South cooperation has never materialized as has North-North cooperation. This is exhibited in a report commissioned by the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC). "The contrast between what is available to the OECD countries through their Paris-based secretariat and what currently exists for the benefit of developing countries in New York and Geneva is striking."[18] It is therefore unknown if there will be advantages for the South to garner such an alliance.

Questioning the potential for improved livelihoods through South-South regional groupings

Are Third World regional blocs simply catching-up, or will inequalities exist as they do between countries? An explana-

tion of the global economy by a consultant for international corporations argues that this possible future may actually be a present reality. Kenichi Ohmae, writes that, "an isle is emerging that is bigger than a continent - the Interlinked Economy of the triad (the United States, Europe and Japan), joined by aggressive economies such as Taiwan, Hong Kong and Singapore. It is becoming so powerful that it has swallowed most consumers and corporations, made traditional national borders almost disappear, and pushed bureaucrats, politicians, and the military toward the status of declining industries."[19] The power of the triad over other regions and national governments casts a large shadow of doubt over the possible outcomes of South-South cooperation on a regional basis.

While it was earlier noted that it is nearly impossible to define a less-industrialized "South" because of the economic differences among these countries, the variances among their governmental structures further complicate the possibilities for unity. Clearly, the motives of a national government that tends towards democracy will by nature differ from those of a communist or dictatorial leadership. A common agenda for the South must consider these realities. Finally, divergent cultures create language barriers and often have conflicting goals.

The advent of an effective cooperation effort will lead to greater economic independence from the industrialized world. Such independence will lead to more political and ideological freedom.

Areas where South-South cooperation cannot help

Some of the reasons for the impoverished situation in the South are historical and will simply take time to heal. It has been thirty years since colonization ended in Africa. Some countries still have not recovered from the struggle for power that took place in many African countries because of the political vacuum that remained when the colonists left. In parts of this continent and throughout the South, governments that are unresponsive to the needs of their people also limit the potential for solutions by Southern governments in a South-South relationship. In these cases, South-South cooperation can have little influence upon the welfare of the South.

Outside aid is needed

National governments, whether operating within a system that resembles democracy or dictatorship, cannot possibly represent all of their constituencies. Therefore, they cannot be relied upon to undertake community-oriented development projects with real commitment because of a lack of knowledge about and resources for local problems. Non-governmental organizations (NGOs) yield "bridges of communication" between international and local efforts at poverty eradication.[20] They also serve as important tools in changing national governance to include more people, and to be more responsive to the needs of these people. Paul Streeten explains their role in more detail. "The relationship between non-governmental organizations and governments can be understood as one of cooperative conflict (or creative tensions), in which the challenge of the voluntary agencies and their innovative activities can improve government services and the working of markets, and help resolve tensions between them. Without them, there is always the danger that private firms become corrupt and governments unresponsive to human needs."[21]

A change towards more democratic institutions within the international system will happen only when people choose to fight for greater representation. A major movement is today under way in the form of non-governmental organizations (NGOs). The Group of Lisbon proposes that there is a need for a "global contract." They explain that, "If humankind is to be successful in establishing an effective global governance, this will primarily be the result of a proactive and deliberate choice by people and organized societies".[22] The past few decades have seen a remarkable increase in the number and influence of NGOs around the world. NGOs represent an important form of international governance, as they are key players in the functioning of civil society.[23] While the United Nations acts as a mediator for States, NGOs find their niche in local populations within States. The Organization for Economic Cooperation and Development admits that, "Non-governmental organizations have proved to be effective at the grassroots level where they have special experience working with the poor and constitute a channel for local initiative and participatory development."[24] NGOs may be headed by elites, but generally they represent those who would not normally have a voice in local governance.[25]

What changes might such a movement propose? International non-governmental organizations ask for the most radical changes to the United Nations system, for many desire inclusion of people through both parliamentary representation and through a more important role for civil society via a people's assembly. The United Nations Parliamentary Assembly would consist of elected representatives of their respective countries. The Assembly would be like a General Assembly of NGOs. One NGO argues that this new assembly should be given "consultative status," while others believe that it could

serve as a source of proposals.[26] Most importantly, it could provide a network and a voice for citizens. As such, those making policies for international governance would be more aware of the needs of the people who are governed. Citizen representation at the United Nations is essential to help propel a major reform and strengthening of the organization.

The end of the Cold War, the growing concerns over the fate of the developing world as expressed by the literature of the international community and the growth over the last 30-40 years of the number of developing nations will bring this debate to a head.

But how can one expect a unified Southern policy when there are great disparities of interest among the least developed, the developing and the newly-industrialized countries? There are some commonalities in their general interests. The following are six main reasons why South-South cooperation on a global scale can work:

- For a government to maintain popular support, it may rely upon its military. However, through South-South cooperation it should be possible to find other means of appeasing the general populace, by means of common economic goals such as more employment and universal social goals such as improving the literacy rate and fighting disease.
- Through the technological revolution of computers, it is possible for both the leaders and the citizens of developing countries to dramatically increase communication.
- The introduction of regionalization to the South is paving the way for a more global unification.
- The need for greater representation within international agencies is a problem of the South. Developing countries might realize that if they are divided, they will continue to occupy a disadvantaged position.
- The increasing power of non-governmental organizations as measured in the large numbers of people they represent and in the influence that they now have upon international politics and environmental issues to make such organizations democratic.
- The industrialized world might not stand in the way of such cooperation in the future if they come to realize that global chaos may be the result if the impoverished situation of the South does not improve. In this context, a reality such as international terrorism suddenly can globalize local problems.

South-South cooperation could lead to ...

The possibilities are unlimited, but here are a couple of examples:

1. The creation of stronger voice for the South in international governance at all levels. A report commissioned by SU/TCDC entitled "Expanding South-South Cooperation" argues that, "joint preparatory work involving countries with common interests will be an essential pre-condition for effective participation in negotiations". 27 This participation might be accomplished through reform of the United Nations system. In addition to the General Assembly where each State has one vote, there is a need today for the addition of two more assemblies:

- An Elected Assembly: an assembly of officials elected directly by the people. The number of representatives from each country would be based on population, with all countries below a specified population getting one member and all those countries above a specified amount attaining no more than a specified maximum number of representatives.
- A People's Assembly: an assembly of voluntary organizations representing local, national and international people's movements. It would play an advisory role to all branches of the United Nations.
- Economic and Social Council: this council has been underutilized; its mandate must be extended to include a broader role as a monitor over international arms trading, drug rings, transnational activities and environmental issues. The Council should indirectly facilitate the creation and operation of agencies that regulate these transactions.

2. Another possible outcome of South-South cooperation is the transfer of expertise and experience to help facilitate development efforts. This can be done on both a bilateral and regional basis.

Once represented in international governance, there will be a greater desire among countries of the South to facilitate development efforts and to participate in international processes such as peace-keeping, trade and the persecution of war criminals. Further, the advent of an effective cooperation effort such as that seen among the trading partners of the North will lead to greater economic independence from the industrialized world. Such independence will lead to more political and ideological freedom.

Concluding remarks

The end of the Cold War has brought forth an unprecedented number of both old and new conflicts and challenges. However, the loss of the former balance between dialectically-opposed ideologies in actuality yields opportunities as well. The time is ripe for a new ideology, one based on humanity, the environment and global inclusion.

Nonetheless, there remains an important question to consider. If in fact a movement towards stronger and more democratic forms of international governance were to take place, why would States - especially powerful States - not simply ignore some "new world order"? The lesson to be learned from the rocky history of the United Nations is that powerful States will in fact fight against a system in which they cannot push their national agenda. The battle-cry for an equality of representation of the nations and peoples of the world as proclaimed in the Charter of the United Nations has never fully materialized as a result of the imposition of world order by the few.

Given such circumstances, are the voices for strengthening and democratizing international governance simply idealistic ravings? Two factors resulting from the globalization process recently begun might encourage States to cooperate more often and on a more equitable basis in the future.

First, as protectors of a "national interest," States will desire the power that participation in international agents of governance provides. While a few States hold the majority of the economic and military power of the world, there is a great deal of unrealized political power in the sheer number of States and individuals generally removed from the decision-making process. The isolation resulting from ignoring the biddings of this international community will hurt States interested in the benefits of capitalist policies such as free trade, specialization and comparative advantage.

Finally, the increased prestige of citizen's organizations, as well as a more unified developing world - although mainly on a regional basis - is creating a foundation of political pressure. It is when their voice becomes too loud for the industrialized nations to ignore that real change will come to pass. ◆

FOOTNOTES

1. Bull, Hedley, *The Anarchical Society*.
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13. Childers, Erskine and Urquhart, Brian, *Renewing the United Nations System*, Dag Hammarskjöld Foundation, Uppsala, Sweden, 1994, p. 126.
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17. From a talk with Ernest Fausther, UNDP Programme Manager for the Regional Bureau for Africa, 2 August 1995.
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20. Childers, Erskine and Urquhart, Brian, *Renewing the United Nations System*, Dag Hammarskjöld Foundation, Uppsala, Sweden, 1994, p. 212.
21. Streeten, Paul, "Global Governance for Human Development," *Human Development Report*, Office Occasional Papers, New York, 1992, p. 18.
22. The Group of Lisbon, *Limits to Competition*, Gulbenkian Foundation, Lisbon, 1993, p. 138.
23. Civil society is defined as "the public space between the State and the individual citizen (or household)" where "the activities contained therein take an organized and collective form." From Hadenius, Axel and Fredrik Uggla, "*Making Civil Society Work: Promoting democratic development: what can States and donors do?*" OECD Paper, 1995, p. 1.
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Aiding with Trade

Liberalizing trade and investment regimes provoke wide debate among the countries of the South. Sichan Siv, a former investment banker, argues that liberalized trade and investment can promote domestic prosperity within Southern countries. He is Senior Vice-President for Policy and Programmes at the United Nations Association of the United States of America (UNA-USA), and from 1989 to 1993 he served in the Bush Administration as Deputy Assistant to the President for Public Liaison, and as Deputy Assistant Secretary of State for South Asian Affairs. He came to the United States as a refugee in 1976, having escaped the killing fields of Cambodia.

On the 50th anniversary of the United Nations, we move away from the Cold War with the future of international relations focused upon market economics and democratization. When growth has been sustained, a developing country will see its middle class solidify, expand and seek more political power. Since business remains the backbone of the economy's strength, international trade and foreign direct investment will become more and more a development tool between North and South, as well as between South and South.

Developing countries will continue to demand a fairer share for their export markets. The economic miracle of the Asia-Pacific region and its interaction with large developed country economies such as the United States, is illustrative of how trade has replaced aid over a period of a few short decades. South-South trade together with stable relationships with Northern partners mindful of the needs of developing countries, as well as their potentials, is a key element in the development of a healthy global economy. Regional cooperation in the South has become a solid arena for economic development and political stability. No place has seen a stronger combination of these two hopeful trends than in Asia and the Pacific.

The world's fastest growing economies

Geographically, the Asia-Pacific region is east of the Mediterranean, west of the United States, south of the North Pole and north of the South Pole. All the world's major religions were born there. The largest number of human beings live there. Two world wars and three major conflicts (Korea, Viet Nam and the Persian Gulf) were fought there. Today, the world's fastest economic growth is found there. For the purposes of this paper, I focus upon economic trends and developments in the southern and eastern Asian countries.

With sound economic policies, most countries of the region have moved from subsistence to consumer societies in a short time. Education has also given the Asia-Pacific region a leading edge in gender issues, as more women are taking leadership positions in the workplace. The region has had the largest number of female heads of government, including in the recent past, Mrs. Bandaranaike of Sri Lanka, Mrs. Gandhi of India and Mrs. Aquino of the Philippines. At present Mrs. Bhutto of Pakistan, Mrs. Zia of Bangladesh and Mrs. Kumaratunga of Sri Lanka are Heads of State.

Regional cooperation

The most successful regional organization is undoubtedly ASEAN (Association of South-East Asian Nations). Founded in 1967 with US guidance, with a main objective being the containment of communism, ASEAN was initially composed of two US-aligned nations (the Philippines and Thailand), and three non-aligned countries (Indonesia, Malaysia and Singapore). Brunei Darussalam joined the organization in the mid-1980s.

The organization's main objective is to promote market economies, growth and prosperity. Its principal policy-making body is the annual ministerial meeting that rotates alphabetically among the member countries (Indonesia took over the chairmanship from Brunei Darussalam in July). In a post-ministerial conference, ASEAN meets with its "dialogue partners" (Australia, Canada, European Union, Japan, Korea, New Zealand and the United States) and "consults" with China and Russia. It also meets together with China, Russia and Papua New Guinea at the ASEAN Regional Forum to discuss security issues. At a non-ministerial level, ASEAN maintains a functional dialogue with India. It is at these annual events that ASEAN sets its policy objectives to be implemented by its members in hundreds of committees. In addition, summits are held regularly to reinforce the Association's unity on major issues. The next summit will be held at Bangkok in December 1995.

After the Vietnamese invasion and occupation of Cambodia at the end of 1978, ASEAN became a strongly unified political front. It carried out a successful diplomatic fight for more than 10 years to find a peaceful solution to the Cambodia prob-

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lem. Finally, with the active participation of the five permanent members of the UN Security Council (China, France, Russia, the United Kingdom and the United States), as well as Australia and Japan, ASEAN succeeded in attaining the Paris Accords for Cambodia in October 1991. Two years later, under the supervision of the United Nations, with the largest peacekeeping force in history, Cambodia got its first democratic elections.

In the meantime, the ASEAN nations saw their economies grow enormously - often at a double digit pace. After settling the Cambodia issue and with the establishment of the ASEAN Free Trade Area (AFTA) in January 1993, ASEAN has moved its focus to trade integration. AFTA is expected to be fully implemented at the beginning of the next decade. By then, most manufactured products will have their tariffs cut to less than 5%. The Association will have its customs standardized and non-tariff barriers removed. Inter-regional trade is expected to reach 25% of all of ASEAN trade volume.

This summer, ASEAN admitted its old enemy, Viet Nam, as its seventh member. This was a political decision, not an economic one. ASEAN feels that it is better to have Viet Nam inside its camp. Viet Nam will initially find its membership awkward. It is the only country with a centrally-planned economy in a group which upholds market economics as the avenue to progress and stability. Its membership will be a burden to the original members because its economic and bureaucratic system is not structured to meet the level of sophistication expected by its fellow members. However, in the long run, all will benefit. Viet Nam is a large market and future economic benefits will slowly but surely de-communize its anachronistic system.

In the Southern Pacific, Australia and New Zealand have been the benefactors of economic development and cooperation among the island states of the South Pacific Forum. The recent nuclear testing by France has created another united political front for the Pacific islands, from Tonga to Vanuatu. The situation is similar to ASEAN's front against Viet Nam in the 1980s.

Unlike its two sister organizations, ASEAN and the South Pacific Forum, the South Asian Association for Regional Cooperation (SAARC) has been a forum where leaders can meet to discuss sensitive issues. The two largest neighbours in the region, India and Pakistan, have much to disagree on, from religious politics to Kashmir, while two of the region's smaller neighbours, Nepal and Bhutan, have yet to settle their refugee problem.

Despite these differences, SAARC members have undertaken major economic stabilization and structural adjustment programmes. These will lay a foundation for sustained long term growth, from Bangladesh to Sri Lanka. And with 1.2 billion people, South Asia is clearly the world's largest democratic region; for example, there are more people in India alone than in the 53 countries in Africa.

Investment criteria

Investors normally look at political stability as the first condition before moving into a foreign country. In the past few years, there have been major political changes in Asia and the Pacific. Emerging democracies have taken root in Mongolia, South Korea, Taiwan, the Philippines, Cambodia, Bangladesh, Nepal and Pakistan. Developed countries such as the United States have played an active role in the democratization of the region. Only five Asian countries are still under the domination of communist, dictatorial or military regimes: North Korea, China, Laos, Viet Nam and Burma. After political stability, multinational corporations will look at the country's economic policies, infrastructure, legal framework (including investment law) and judicial system, and the productivity and stability of the work force.

Democratic change and economic growth

In August 1994, Cambodia, Asia's newest democracy, came up with an attractive investment law, providing a 9% corporate income tax, an eight-year tax holiday, a five-year loss carry forward, full import duty exemption, no withholding tax on dividends, free profit repatriation, no nationalization or price control, similar treatment for foreign and local

investors and land leases for up to 70 years.

In the Philippines, foreigners can now own up to 100% of local companies. Foreign direct investments increased 160%, to almost $600 million, in just the first four months of 1994. Foreign companies are actively expanding in the country. The securities market has taken over from traditional financing through bank loans. In 1993, Philippine companies have raised nearly $700 million on international capital markets. In Bangkok, the stock exchange is also competing with banks in raising funds for corporations. However, in many Asian countries, investors have to face bureaucratic corruption to get their proposals approved or expedited.

Despite this problem, *Business Environment Risk Intelligence* reported that three Asian countries were selected last year as having the most proficient governments in the world. Singapore displaced Switzerland as the world's most proficient. Taiwan and South Korea followed Switzerland as third and fourth. These Government Proficiency Measure rankings consider the country's political character and leadership structure, its fiscal management policy, its macroeconomic policy and its social factors.

The United States ranks tenth, displacing Japan. The latter also lost its number one position to America as the most competitive economy, according to the 1994 *World Competitiveness Report*. Singapore made its debut by going straight to no. 2, ahead of Japan. Hong Kong took the no. 4 slot, followed by Germany.

With 1.2 billion people, South Asia is clearly the world's largest democratic region ... there are more people in India than in the 53 countries in Africa.

More trade than aid

Over the last four decades, Taiwan has moved from being a backward land into the world's 13th largest trading partner, and with nearly $100 billion in reserves, it has accumulated one of the world's largest financial stockpiles. Other central banks retain large dollar holdings, because they want to be able to pay for their country's imports, if exports suddenly drop.

The Reserve Bank of India keeps three-fifths of its reserves in dollars for that purpose. India's reserves have soared tenfold to $16 billion from $1.55 billion in 1990. With a middle class market of 250 million people, India could become an investment paradise, particularly since the launching of an economic reform programme by Prime Minister Rao when he came to power five years ago. In spite of periodic political and ideological contretemps, not to mention occasional litigious corporate struggles, the United States has been India's largest trading partner and largest investor. Several hundred American firms are in India and their investments are estimated to total about $5 billion.

Market-oriented economic trends are sweeping all across Asia, even in the most isolated countries. Late in 1994, Burma announced its intention to privatize some State-owned enterprises. Singapore is becoming the largest investor in Burma, and is competing neck and neck with Malaysia for the same position in Cambodia. Thailand is the largest investor in Laos. North Korea will benefit from the lifting of trade restrictions by South Korea. The latter is already a leading investor in Viet Nam. And Taiwan is present everywhere.

When ASEAN reaches its full membership, with Burma, Cambodia and Laos in the fold, the wealthier six will overwhelmingly invest in and trade with its poorer members rather than anywhere else. As of the summer of 1995, the level of their investment in Burma, Cambodia and Laos is about 40% of all foreign direct investment. This is clearly an interesting South-South phenomenon, where newly-graduated economies remain to invest in the region and trade in the neighbourhood. The current noteworthy trend is that developing countries are looking for more trade, instead of aid.

US Most Favored Nation trading status for China

The United States has provided Most Favored Nation (MFN) trading status to most of Asia. The status granted to China in 1990 was quite controversial, with the Bush Administration's decision to renew MFN status coming after the tragic scenes at Tienanmen Square had been broadcast live around the world. The benefits of MFN, however, could soon be seen for both the United States and China.

In 1990 China bought nearly six billion dollars worth of American products, from aircraft to computers, fertilizers and timber. Without MFN, Americans would lose jobs and America would lose out to its competition. Billions of dollars of American investments in Hong Kong and China would be affected. The United States would be isolated from the Chinese market, and the American effort in the previous decade to keep China from being a hostile nation would have been proven futile.

More importantly, the Chinese business people who trade with larger economic entities such as the United States, are the engines of reform and the future of China. Their interest and the memories of those who died at Tienanmen Square would be best served if the channels of communication remain open. The resulting strengthened economic and trade capacities can equip China to become a more dynamic partner in regional entrepreneurial and development cooperation endeavours.

The Pacific century

Elsewhere in Asia, economic progress remains solid and regional cooperation is strengthening. ASEAN, with a population of over 400 million people, plans to become a free trade zone in the next decade. During that time, East Asia will lead the world in real GDP growth with an annual average of 7.6%, followed by South Asia with 5.4%. The rich industrial nations in the West will, in the meantime, experience only 2.7% growth. In a triangular framework not unlike that being developed in other regions such as Latin America, successful partnerships with wealthy nations can be turned into productive economic arrangements with sister developing countries, creating an extension of South-South cooperation.

The steady prosperity that followed economic miracles in the region has already created some friction in Asian value systems, when interacting with the West. While many of these newly-industrialized countries favour community interest above individual rights, the West puts human rights and individual freedom first. This difference is creating a tug-of-war of ideas between "the West and the Rest". While the Rest disdains the West for its patronizing attitudes, the West still looks at individual human rights as the *sine qua non* for economic progress.

The two value systems can actually coexist and exert a mutually positive influence on each other. Developed countries such as the United States are in a unique position to continue encouraging democratic change while also supporting economic growth. This can be seen in the Asia Pacific Economic Cooperation (APEC) initiative, bringing together ASEAN and other economic powerhouses of the Pacific rim, including Australia, Canada, Chile, China, Hong Kong, Japan, the Republic of Korea, Mexico, New Zealand and Taiwan. It puts economic interests above political ideology. As such, APEC is following the successful model of ASEAN in the first two decades of its inception, by focusing primarily on economic issues.

APEC came into existence as an extension of the ASEAN plus "dialogue partners" format, and will certainly eclipse the latter. It reflects a fascinating triangular relationship between:

- The United States, the sole superpower, which along with Canada and Mexico, constitute the North American Free Trade Agreement (NAFTA);
- The Asian richest: Australia, Brunei Darussalam, Japan, Korea, New Zealand, Taiwan and Singapore ($16,000 per capita GDP);
- The poorest (Viet Nam - $220 per capita GDP), and soon Burma, Cambodia and Laos.

> As the United Nations reaches 50, and five years after the end of the Cold War, former enemies, donors, and recipients are turning into economic partners, in a world that is more democratic and more free.

As we prepare to enter the 21st century in a unipolar world, the trade relations between the big powers and the Asia-Pacific region are rapidly replacing development aid.

Prosperity and wealth created by a combination of hard work, ingenuity and international assistance since the end of World War II, are now being transformed into investment seeds within the region.

Owing to higher returns, Asian money is now staying at home to fuel the continuing growth of its economic miracle. This is clearly an interesting case of how the North-South development aid relationship has been changed into a South-South trade and investment partnership. As the United Nations reaches 50, and five years after the end of the Cold War, former enemies, donors and recipients are turning into economic partners in a world that is more democratic and more free. This trend must be maintained into the next century. It is the best way to protect future generations from the scourge of war, and to provide them with peace and prosperity. ◆

Technological Entrepreneurship: The New Force for Economic Growth

Rustam Lalkaka reviews the characteristics and support systems for technological entrepreneurship in the development process. He formerly headed the United Nations Fund for Science and Technology and was an industrial adviser with the UN Industrial Development Organization in Thailand and Turkey. He now is president of Business and Technology Development Strategies, New York, a consultancy group which works on issues of technology management and venture creation. Mr. Lalkaka is technical adviser to the Governments of Indonesia, Malaysia and Uzbekistan on their technology incubator programmes and to UNDP's private sector division on small enterprise development.

Entrepreneurship has emerged as a major new force for change. The dynamic role of modern small business in economic growth has received fresh recognition worldwide. Indeed, the UN General Assembly in an unprecedented demonstration of near-consensus, passed resolution 45/188 in 1990, inviting governments of all political orientations to promote entrepreneurship and to mobilize the dynamism of the private sector for accelerated national development. An unbridled private sector may not, however, ensure growth with equity. It is the prime responsibility of governments to create policy frameworks that enable businesses to apply technology for competitive advantage and for the well-being of the public.

The changing global environment

As agents of change and progress, entrepreneurs start by identifying a market opportunity and matching this with social or technical innovations. They then proceed to mobilize the resources necessary to drive their business concept to its commercial realization. The development of a product or service with a high-technology content — never easy anywhere, or at any time — poses a significantly greater challenge for the South in today's rapidly-changing global environment. It calls for restructuring the available technology and business development systems and developing the skills needed by a new breed of "techno-entrepreneurs" to transform innovations into market opportunities at home and abroad. It also requires reorienting the present processes and priorities of technical and economic cooperation among countries.

Amidst the global concerns of environmental preservation, poverty elimination and social development, the practical problems of entrepreneurship are not being properly addressed, even though entrepreneurs will create the bulk of enterprises, jobs and wealth in this decade. Catalytic inputs from the United Nations system, within the framework of government policies, must now extend beyond State institutions to the entrepreneurs themselves. What truly works has to be properly documented, disseminated and replicated.

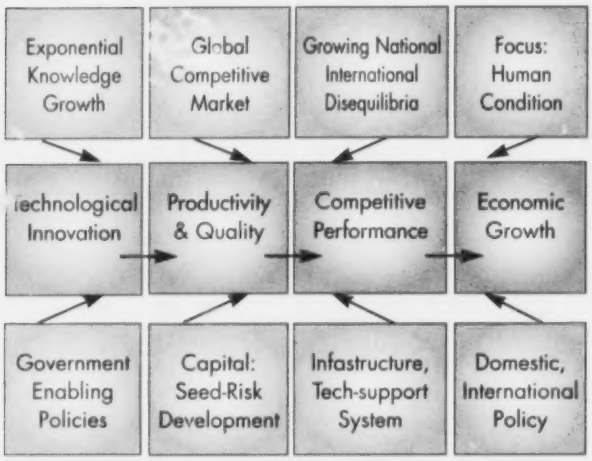
A torrent of technology-based goods hits the market every week, ostensibly improving the quality of our lives while simultaneously creating complexity and dislocation. The pace of progress in information technologies, microelectronics, robotics, new materials, biomedical sciences, space science and other advanced technologies quickens, significantly changing the way we live. The growth of markets for these technologies also proceeds apace. For instance, it took over a century for the invention of photography to be commercialized (1727 - 1839), the electric motor 65 years (1821 - 1886), the transistor three years (1948-1951) and the laser disc only four months in 1981.

How can the industrializing countries keep pace, much less catch up, with the industrial nations, when the research and development budget of a single GM or IBM is considerably larger than that of Korea, China or India, and when the countries of the Organization for Economic Cooperation and Development (OECD) spend US$400 billion annually on research, as opposed to US$15 billion by the 15 largest developing country spenders? This predicament reinforces the necessity of cooperative research, knowledge licensing and joint-venturing within the Southern countries as well as along a South-North axis.

Further, technological change is taking place today against a background of growing intra-national and international disequilibria. While the transformation from State-centered to market-oriented development is opening up enormous opportunities and options, it has also caused severe short-term hardships. In order to survive and prosper in these changing times, developing nations and their enterprises need enlightened gov-

BY RUSTAM LALKAKA

Figure 1. Technology for Competitiveness



ernment policies, good technical infrastructure and strong cultural roots (figure 1).

Traditional production factors are giving way to a new paradigm characterized by new patterns of trade, investment and employment, and by informal networking, life-long learning and technological entrepreneurship. The manufacturing sector in much of the developing world continues to be dominated by food products, textiles, chemicals and other traditional industry, mainly in the public sector. However, change is coming, albeit slowly. State enterprises are being corporatized pending privatization, and the share of knowledge-based and information-related activities in the marketplace is rising perceptibly. Restructuring policies now place emphasis (often purely rhetorical) on the role of the private sector. The legacy of decades of centrally-planned development is generally inimical to private enterprise. In turn, the private sector has been slow to respond to economic liberalization and generally failed to generate the new employment necessary to absorb new entrants to the labor force.

The regulatory problems of an onerous tax structure and administration, poor access to finance and raw materials, overregulation of labour and land use, pervasive bureaucracy and restricted markets have been significant barriers to entrepreneurial growth.

Figure 2 demonstrates the case for strengthening the infrastructure for technological entrepreneurship, as seen through the conditions in Mexico, Poland, Indonesia and Egypt. These are subjective assessments, to be interpreted with caution.

Figure 2. Infastructure for technological entrepreneurship in Mexico, Poland, Indonesia and Egypt

	Mexico	Poland	Indonesia	Egypt
1. Technical Universities	Many good universities	Excellent; now severe fund shortages	Few good universities	Few good universities
2. Research laboratories	Good facilities, limited original research	Excellent in science, not technology	Good; poor commercial linkages	Good; poor commercial linkages
3. Professionals and skilled workers	Fair stock	Good technical people few managers	Large numbers of professionals being trained abroad	Fair
4. Entrepreneurship networks	Started by National Financiers (NAFIN) and the Mexican Assn. of Business and Technology Parks (AMIEPAT)	Just starting	Inadequate	Inadequate
5. Financing sources	Fair government support, limited venture capital	Very limited local (but considerable foreign) assistance	Many State sources but difficult to access	Limited local (but considerable foreign) assistance
6. Community support	Good from local industry and State Governments	Limited, some from expatriate nationals	Good support by industralists and chambers	Growing number of private organizations
7. Government support	Good public-private partnership	Negligible	Just starting	Just starting
8. Buildings, facilities	Limited space	No space, poor environment	Good spaces available	Good spaces available
9. Technical Infastructure	Good in some areas	Good in the past, now being rebuilt	Good and improving	Good and improving

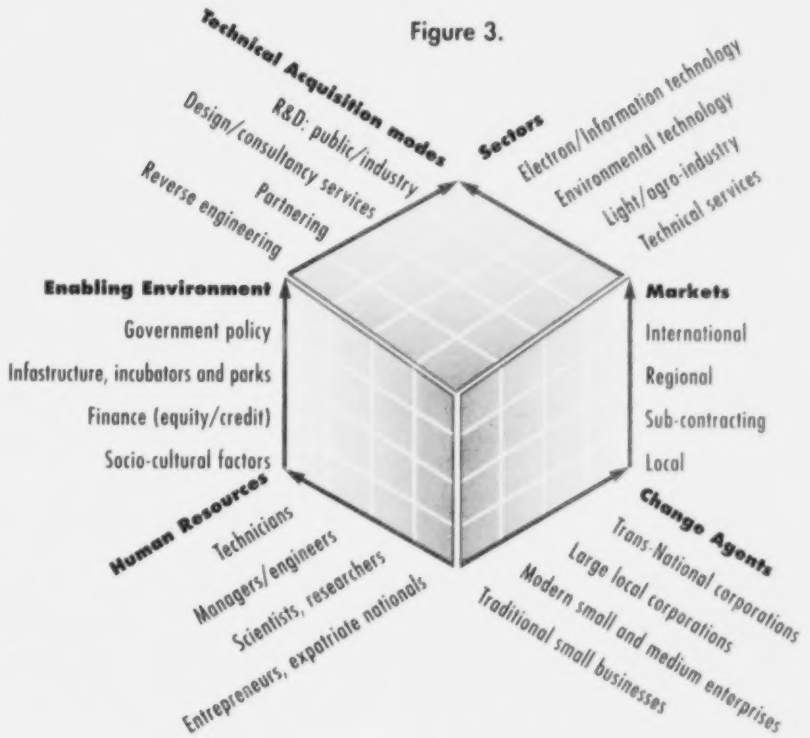
Towards competitive performance

In this environment of change, continuous innovation is the only constant. The 3M Company in the United States plans that 30% of its annual sales must come from products less than four years old. Toyota has recently opened the world's first post-modern car factory, which requires only 10 person-hours per vehicle produced — roughly half the average in the United States. Canon has snatched the lead from the competition with its ubiquitous copier, and Chrysler with its minivan. The pace of advanced new product introduction is relentless.

The imperative of improved performance has serious implications for developing countries if they are to survive, stay abreast and succeed. It calls for national efforts on systemic efficiency and productivity growth, the move from an investment-driven to an innovation-driven economy and sustained higher-order competitiveness: towards enhanced customer satisfaction at home and penetration of selected markets abroad. Concurrently, governments and business have to address such intractable problems as poverty, corruption and the degradation of the environment.

The complexity of managing a system with a variety of human resource, policy and market conditions as well as of technology acquisition modes and change agents is shown in Figure 3.

Figure 3.



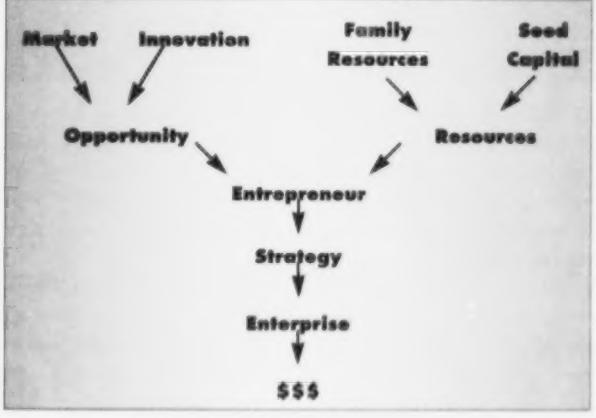
Creating new technology-based ventures

Starting a new business in a developing country is a hazardous task. Problems are compounded when the venture is technology-based:

- Capital requirements are generally larger, while traditional banks are ill-equipped to process the perceived risk. Venture capital generally only becomes an option when the venture has documented the merits of its management, market and innovation.
- Knowledge-based ventures can benefit from linkages to sources of knowledge - e.g. the technical university or research lab. Such mentoring needs to be cultivated.
- Techno-entrepreneurs often have technical skills but usually lack the business management and marketing skills necessary for success. These need to be supplemented.
- In fields where technology is changing rapidly, it is often advantageous to make technology-acquisition arrangements. Sourcing such innovations, negotiating technology licensing agreements and protecting the intellectual property itself require special skills.
- Knowledge-based innovations are inherently more risky than others. The management of this unique risk requires assessment techniques and vision.
- Technology-based ventures often have social and environmental implications, which need to be managed carefully.
- Penetrating a competitive market requires good market intelligence, a good strategic plan and good luck.

The tasks of the entrepreneur are shown in Figure 4 below.

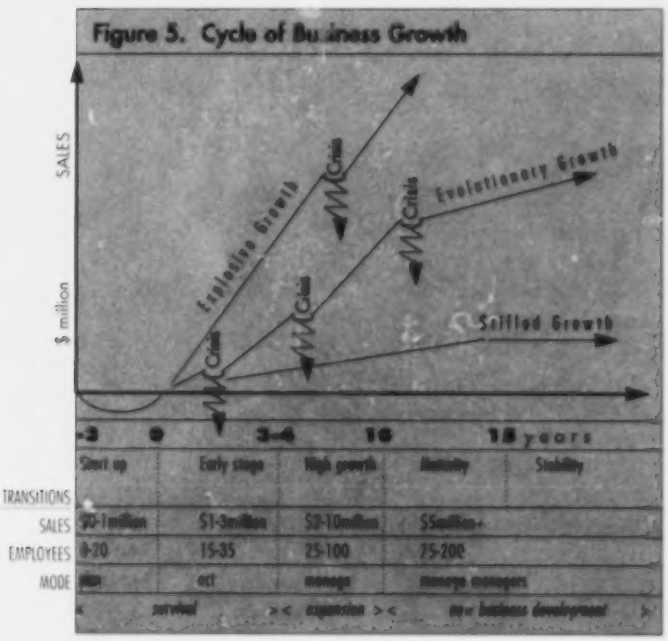
Figure 4. The Venture Creation Process



The traditional approach in the engineering stages of development for a new product was linear: different specialist groups addressed problems stage by stage. The current practice is to address problems in parallel with a multi-disciplinary product team, working simultaneously on several stages. A small business or individual inventor may need to engage outside help to accomplish work towards completion of product development.

As the product development cycle moves from concept to full-scale production, the capital requirements increase significantly. Moreover, as the venture progresses from start-up through its early stages to growth and maturity, its staff and sales also rise. When and if it crosses the threshold of 20 employees and commensurate annual turnover, it is becoming a modern medium-sized undertaking. Its chances of surviving crises and reaching stability are better if its growth is evolutionary rather than explosive. The bulk of enterprises, however, will experience stifled growth and remain small (Figure 5).

Figure 5. Cycle of Business Growth



The focus of a successful enterprise shifts from planning and surviving to managing, and then to managing managers. As it makes the transition from the first crisis of leadership to the second crisis of autonomy, the CEO has to change roles from promoter to entrepreneurial manager or to enlist the needed managerial skills.

At the national level, the optimum strategy in many developing country situations is a progression of, first, importing equipment and know-how, then acquiring higher-level design and operating experience, to be adapted, improved and applied, and finally on to indigenous innovation and exports, both of technology-based goods and know-how itself.

A number of entrepreneurial groups have now developed advanced capacity and are becoming multinationals. For instance, the Mittal family in India began building or acquiring mini-steel mills based on complex direct-reduction technology, and later did the same in Indonesia, Trinidad, Mexico, Canada and Germany. Acer from Taiwan is a world force in computing. The city of Belo Horizonte, Brazil, has become a hub of biotechnology companies, many started by female entrepreneurs. On another level, Malaysia has 600 firms in micro-electronics, producing $12 billion of goods and employing 200,000 workers. Another sector of enormous potential for the South is the $400 billion software market, and some countries are already significant players. This ferment is creating shortages of skilled workers at home and opportunities for professional work abroad.

Special characteristics of "techno-entrepreneurs"

The popular misconceptions are that techno-entrepreneurs are born, not made; that they take risks with other people's money and fail more often than they succeed. In fact, entrepreneurial skills can be identified and developed. The entrepreneur is typically an innovator who formulates new solutions to existing problems, mobilizes resources and stimulates others to participate in his or her team. These aptitudes develop over time, often starting in childhood, as the person faces new challenges and learns from failure.

Entrepreneurial opportunities can be found in every industrializing country, community and family. Principal sources of entrepreneurs for knowledge-based ventures are often the university and government research laboratories, the large industrial and military establishments and professional service firms. Some motivations of the entrepreneur are the need to: be independent; create value; contribute to society; earn recognition; become rich or; quite often, simply not to be unemployed. Value-adding ventures with good growth potential can best be developed in an open market and in a culture which supports risk-taking.

It is not surprising that developing country nationals who overcome bureaucratic obstacles at home flourish as immigrant entrepreneurs abroad. It is also worth noting that in the United States — the Mecca of immigrant techno-entrepreneurs — 80% of all millionaires are first generation millionaires. At any time there are 3 million persons starting their own businesses — more people than are getting married and more than are having children!

The techno-entrepreneur anywhere has the challenge of moving a concept through the prototype and production phases towards creation of a product which meets market needs at a price consistent with the value created and with the ability of customers to pay.

Equally important, the market itself has to be developed and

sustained. It is not enough to be first with a better mousetrap if one does not have the skills to educate and reach potential buyers and to set the market standard.

The history of innovation is replete with examples of the late-comer or the second-best overtaking the best, through what has been called the "self-reinforcing advantage". Thus, Sony's Betamax was overshadowed by the longer-playing VHS, the Apple Macintosh system by the industry standard-setting Windows, while the QWERTY typewriter keyboard, starting in the 1870s at schools teaching typing, has beat back many an improved layout!

Here one has to distinguish between innovators and inventors. The inventor is typically a creative person in a quest for knowledge or for producing new products, without determining in advance whether a real market exists for his or her inventions. On the other hand, the innovator draws on existing knowledge and the talents of others to develop or adapt a product or service at a volume and cost that can capture a significant portion of an identified market. The flexibility and creativity of a small entrepreneurial techno-venture may lead to more incremental and break-through innovations than can be generated by larger-sized firms in many sectors.

University research and entrepreneurship development

Entrepreneurship in technology-based enterprises requires economic incentives and socio-psychological reinforcement, together with the institutions that create the scientific applications and its linkage to production processes, technical products and viable businesses. Most technical universities in the South do precious little scientific research and have weak linkages to industry.

Exceptions are universities in Chile and Cuba, and the interface mechanism of the Center for Technological Innovation at the National University, Mexico.

In this context, the vocabulary of the research process itself should shift from research and development, through the Japanese usage of "r&d", and on to today's paradigm of "Market-Engineering-Design-Research" (MEDR), signifying a continuum from market pull, production engineering, technological development and scientific research, all carried out by an integrated team covering each of these disciplines.

Hampering the sharing of research, expertise and training opportunities among developing countries is the lack of small funding sources needed for triggering interaction, and the lack of information as well as of confidence in mutual capabilities. The World Association of Industrial and Technological Research Organizations promotes collaborative research arrangements between laboratories, both South-South and South-North. Affiliation with a strong technical university gives the techno-entrepreneur access to faculty, facilities services and graduate students, and equally important, a certain cachet that comes with intellectual respectability.

Universities can organize to meet entrepreneurs specific needs as businesses move from concept to maturity (Figure 6).

Figure 6: Starting a technology based business

Stages	Learning Needs
1 Idea to valid concept ("Conception")	• Information on sources of ideas • Acquire motivation/commitment • Technical skill to make it? • Self evaluation
2 Valid concept to determining scale, resources ("embryo")	• Market research and pricing • Testing, developing • Process planning • Estimates of know-how
3 Scale-up to start-up ("infant")	• Business planning • Access to funds • Management/marketing skills • Protect know-how • Quality/productivity
4 Start-up to survival /growth ("adult")	• Cash planning • Selling capability • Leadership skills • Management control systems • Continuous advisory follow-up

Entrepreneurship development needs and learning programs vary as the potential entrepreneur moves from school to university, from plan to project and from first-stage growth to expansion and diversification. Organizations providing practical help to techno-entrepreneurs include the public-private SEBRAE, Brazil, and KOSGEB, Turkey. International NGOs such as the Foundation for International Training, in Toronto, Canada, have also been effective in enterprise creation.

At the national level, the United Nations Industrial Development Organization (UNIDO) offers a comprehensive human resource development programme of upstream services on policy, communications networks, and learning-at-the-enterprises, while the International Labour Organization's (ILO) Interman programme provided a useful data base of selected electronic data service providers. The United Nations Conference on Trade and Development's (UNCTAD) Empretec scheme, designed to promote small and medium-sized enter-

prises, is based in national banks and managed by local foundations, and has created hundreds of "empretecos," or pilot projects, both at national and inter-country levels.

Financing the technology-based enterprise

In most surveys of assistance needed by entrepreneurs, particularly early-stage technology businesses, mobilizing capital is among the highest priorities. While friends and family usually help with starting up, for the next stage, additional capital (perhaps $150,000) can come from short-term seed capital schemes. Then in the commercialization phase, larger financing is needed ($200,000 and more), and preferably as equity from venture funds.

Venture capital funds, often pool on the order of $10 to 20 million from various investors, both local and foreign, public and private. Investments are carefully made, together with active technical and management assistance, in a diversified portfolio of ventures. In liquidating the portfolio over six to eight years, the small proportion of high-flying companies can result in an attractive overall return to investors.

Countries such as the Republic of Korea and India have recent successes with venture capital. In Indonesia, there is government venture capital (an oxymoron perhaps) with a State company, P. T. Bahana, taking 20% stake in various provincial venture capital companies. There are also possibilities of revolving funds where capital is provided to match the equity of the entrepreneur who is committed to pay a royalty of 1-5 % of sales over a defined period.

> The incubators have helped create a variety of viable businesses, stable, well-paying jobs, and have had impact on enhancing the partnerships and "culture" of entrepreneurship.

Incubators for technology-based businesses

Of the 1500 business incubators worldwide, some 20% are linked to technical universities and deal with technology enterprises. Interestingly, of around 250 incubators in the developing and newly industrialized countries, perhaps two-thirds are technology-based. Here, early stage entrepreneurial businesses are carefully selected, provided an affordable package of work-space, shared facilities and focused advice on management and marketing problems, as well as access to networks of other professionals. Companies leaving the incubator — which they must in two to three years - have a better chance of survival and success than those in the outside world.

The UN development system has assisted 25 countries to design and establish incubators. In 1991 the Special Unit for TCDC sponsored a workshop at Cuernavaca, Mexico, to exchange experiences on creating and strengthening technology-based enterprises. Now that technology business incubators have been in operation for some time, UNDP, UNIDO and the Organization of American States (OAS) have organized assessment studies of the incubator experiences in Brazil, Mexico, Nigeria, Turkey, Poland, the Czech Republic and China. This was followed by a workshop held at Tianjin, China, in September 1995, to discuss the impact of incubators on enterprise creation, employment and economic development.

The preliminary findings are that where an entrepreneurial culture, technical infrastructure and patient State support are available (as in at least three of the seven countries studied), the incubators have helped create a variety of viable businesses, stable, well-paying jobs, and have had an impact on enhancing the partnerships and "culture" of entrepreneurship.

Synergy of cooperation

The technology incubation system is a good example of a strategic concept which was initiated under a multilateral aegis, implemented as State-university partnerships, and now being assessed, documented and disseminated among developing countries. Those with incubators are made aware of improved practices by benchmark studies outlining best performances, while those planning future incubators are properly informed of the prerequisites, potentials and problems.

Cooperation in venture creation can be through the informal exchanges among peers at international gatherings, and at trade exhibitions, formal twinning between institutions and alliances between companies, commercial franchises and joint-ventures, and through government protocols. Another valuable intervention lies in encouraging countries to start national associations in tech-based business-related activities, which can then be progressively expanded to create sub-regional and regional organizations. This is happening in Latin America with, for instance, the Comision Latinamericana de Ciciena y Technologia (COLCYT), Red de Informacion Technologica Latinamericana (RITLA), as well as at the Mexican Association of Technology Parks and Business Incubators (AMIEPAT)

The pace and pattern of a nation's economic development now depend in large measure on its technical resource base. In this context, the key determinants are the skills to apply technology for enhanced competitiveness, as well as to create tech-based ventures. Techno-entrepreneurs have to be supported by appropriate national structures and international linkages if they are to survive and flourish in an intensely competitive world. ◆

A Catalytic Approach to Unique Product Development in the South

The creation of new products and new markets, both domestic and international, is a constant topic of discussion in many development circles. Mr. Ben-Dak advances a unique approach to product development among the countries of the South. He is the Chief of the Global Technology Group, United Nations Development Programme (UNDP).

One school of thought on how countries in the South should increase their productive capacity places emphasis on developing export crops. The subject has generated a great deal of discussion about the productive capacities and supply responses of Latin America and the Caribbean and about how to satisfy the year-round demands of northern consumers for fruits, vegetables and flowers. As investments in non-traditional export crops have grown, their advance has introduced a host of new economic and social problems.

The emerging consensus is that the most important consideration in development is the total value generated by all the activities within a country and that an emphasis on export crops may not actually produce sustained benefits.

The present article advances an approach in which the South would develop its own answers to the productive capacity/supply response dilemma, first by developing "unique products," and second, by promoting the "catalytic approach" to developing these products. This article briefly outlines the nature and scope of unique products followed by a discussion of the principal tenets of the catalytic model. It also highlights how unique product development is best performed by catalytic agents acting with normative motivations.

Unique products

The extensive interest in the countries of the North for new types of organic nutrition and health foods heralds a demand for new types of ethnic and bio-diverse products. Diversified sources of supplemental foods and primary nutritive elements which could be harvested and cultivated, lie particularly in the flora and fauna of countries in the South. The typical unique product in this case is exemplified by a naturally-processed food, cultivated normally in very few (ideally, only one) places and which would draw on vast sources of indigenous knowledge - most of it not documented elsewhere but passed on from generation to generation through oral transmission. This situation is common not only to food and nutritional products, but also to a multitude of other categories of "unique products" — natural geological and biological resources, local skills, traditional handicrafts and so forth.

The four general elements of a unique product system, are the following :

- local-sourcing, from flora, fauna, native materials, skills and designs - anything that is available in abundance and can be processed by local men and women.
- an existing heritage-based experience among the local population to process the raw materials and obtain a relatively sophisticated product. Alternatively, at the very least, they possess the capacity to absorb new technologies to train for necessary specialization in succeeding generations, define new products and develop the productive capacity to bring them to domestic and international markets.
- the capacity to develop the product in sufficiently large quantities and of sufficiently high quality so that economies of the scale and ability to supply world markets exist.
- a reliable base for forecasting the product's future or evolving market niches and comparative advantages so that these are performed prior to harvesting unique products. This first requires a careful and complete mapping of the local environmental conditions and rival producers in order to effectively decide on the most lucrative unique products.

Typically, categories of unique products are the following:

- Upgrades of an already existing agricultural product which, with the addition of some technological inputs, can vastly increase its value: for example, organic and gourmet coffees, new types of mustard combined with local herbs, exports of indigenous foods such as guinoa, pejibaye and araza. The process would involve taking the agricultural products and often, but not always, subjecting them to further processing and packaging, so that new and more sophisticated markets can be reached for more products.

Unique products resulting from local research and development typically in the agro-based and mining industries. It is important that the advances in aquaculture, botany, earth sci-

BY JOSEPH D. BEN-DAK

inequity and inefficiency created by technology transfer, and who builds business alliances and friendships between new business partners and creates a sustainable egalitarian base for future transactions. If there is a catalyst the transactors interact only in balanced mutually-beneficial transactions, the local community in the South can build a sustainable market for unique products in the North or in other Southern countries.

UNDP/UNDDSMS Empretec export promotion programmes in Latin America, for example, provide specialized training and information support to local small and medium-sized exporters to gain a foothold in the aggressively competitive US markets. Exporters interact closely with United Nations staff on site for "tips" on attractive packaging and price negotiating strategy, and to build alliances with American importers.

The best way to explore what catalysis can do in general terms is to examine the specific case of military conversion in the economies of the former Soviet States, or in other post-command economies. The military plants, as well as "national priority" research foundations, were structured to produce and "sell" to other military-related industries along the lines of command economies.

At the end of the cold war and after the fall of communism, these military establishments were driven to the market by governments that understood less of the functioning of the market than the leaders of the factories. The plants faced a market for military and civilian products in which every element was the obverse of the command-driven structures. Their attempts to develop market demand to drive the new products with the assumed procedures and motivation of the past did not, and does not in the case of continuing conversion efforts, yield productive results. Many of the military conversion plants are failures whether they work within the unaided market economy or adopt contracting processes, patenting systems and other governance structures prevalent in the North.

A post mortem on the military conversion case (see Table 1) shows that the local entrepreneurs had knowledge of the local market situation and understood the motivations of their traditional vendors fairly well. Despite this, they could not respond to calls for productivity given the changing conditions. The critical element was adequate reliable information and the ability to tune their production processes and marketing machinery to the fluctuating needs and tastes of the world markets. Without a personalized production strategy and a marketing road map that the catalyst would typically provide, attempts to succeed in the volatile international or even regional marketplaces were, in most cases, doomed from the start. Similar situations arise in a surprisingly diverse number of economic activities, notably in areas of communal knowledge of native herbs and medicines, and in highly nationalized markets serving demands of traditional single product consumers.

In Ghana or Indonesia, for instance, the communities that have carefully nurtured and built up knowledge based on the healing powers of native flowers and herbs are increasingly turning to local patent lawyers and businessmen to guide them in deciding the terms under which that knowledge will be brought into

Table 1 • Market Failures in Military Enterprise

Management Style	Symptoms	Resulting Defects
1. Top priority on technology	1. Design with disregard to cost	1. High cost (lack of competiveness and poor profitability
2. Ignorance of marketing	2. Ignorance of consumer needs	2. Products have a low reputation on the market and do not sell well
3. Poor material purchasing ability (no recognition of the fact that profit lies at the source)	3. No effort and ability to lower material costs	3. Poor selling capability
4. No sales experience, high-handed attitude towards customers	4. Low capacity for creating or acquiring a sales network	4. Low productivity and poor product quality
5. Priority to the design department	5. Poor feedback capability for market information in the company as a whole	5. Manufacturing technology at a standstill
6. Lack of responsibility awareness (tendency to rely on and blame others)	6. The production department has little voice in the company and produces as it is told	6. Lack of drive toward investment activities
CATALYSTS MUST BE DIFFERENT IN ITEMS 2,3,4,5 TO COUNTER THESE SYMPTOMS	THERE MUST BE SUFFICIENT CAPACITY AMONG CATALYSTS	CATALYSTS MUST BE STRUCTURED TO SET RIGHT ANY OF THESE DEFAULTS

Table 2 • Enlightened Entrepreneurs and Catalysts: Identity and Challenge

Item	Enlightened Entrepreneur	Special Problems in LDCs: Solutions Expected from Catalyst Impact
Primary Motives	Freedom, access to corporate resources self-motivated but respectful of corporate rewards.	Any innovation in reward system may face negative societal sanctions; Catalyst continues in the ethnic, symbolic or traditional system.
Time Orientation	Goals between 3-15 years.	Catalyst explains the logic of urgency but orients the entrepreneur to middle and long range goals
Modus Operandi	Gets hands dirty. May delegate but often does what is required by employees.	The catalyst delegates only to the culturally correct level. When gets hands dirty, makes sure that learning and comprehension ensues among participants.
Attention	Primarily on technology but also on legitimizing effort within the organization	Committed to the propagation of the enterpriseand its appreciation in elite and political circles. Fine tunes the image to new economic priorities and market realities.
Risk	Moderate risk-taker. Invests heavily but also wishes to succeed. Would consider personal risks including risk of being fired or being "out on a limb".	Catalyst must extend risks to the largest group of participants and institutions in order to minimize personal risk. Minimizes risk by actually consulting and consolidating with other catalysts.
Status	Considers traditional status symbols a joke - treasures symbols of freedom.	Capable of a dual perspective of respect and behaves accordingly. Develops own status symbols and gradually applies them to participants.
Decisions	Adept at getting officers to agree to private vision. Patient and willing to compromise, but still a doer.	Catalyst exercises decision making power in a daring but timely fashion.
Failures and Mistakes	Aware of importance of appearing organized and orderly within the organization. Attempts to hide risky projects so can learn from mistakes without political fallout.	Less intent of learning quickly and fully from mistakes. Usually relegated to areas that could provoke a negative public response.

the public domain through joint ventures with North country multinationals.

Table 2 lists the ideal attributes of each of the decision-makers in the context of their motivation, time orientation, mode of operation, etc. The entrepreneurs are the traditional transactors in a South-South economic activity, and the catalyst, as has been defined before, is the critical addition to the transaction: the one who motivates and steers the optimal outcome. In the best of all worlds, the entrepreneur and the catalyst may be one and the same.

The definition of a catalyst has so far been a wide and all-encompassing set of attributes and activities that essentially present an attractive alternative to market and institutional systems. However, the catalytic function is best performed by a specialized team of individuals or agencies, each contributing their relative strengths in skills, resources and networks to the partnership. Various types of catalysts are distinguished by their geographic location, their nationality vis-à-vis the nationality of the entrepreneurs involved, their business interests, background and experience, their creativity, and global thinking and strategic strengths.

Who are the ideal catalysts?

It is essential to identify local catalysts in a South-South partnership because not all local business developers in the traditional managerial pools appear to be promising entrepreneurs. Although many government officials or local elites can become a de facto catalytic team, there are others who may have better motivation and the education to adopt the learning-by-doing approach. They are:

- Military officers, particularly those with the aptitude to maintain, repair, improvise and search for improved military technology.

In the past two decades, the military in countries such as Nigeria, Thailand and Ghana have acquired a business orientation even within military roles. They have partnered with non-governmental organizations and the multilateral development agencies to put their military personnel and manufacturing capacity in a position to

carry out SHD projects, especially in the area of environmental protection.

• Enlightened political leaders especially those previously engaged in business operations and now aware of the indigenous capacities their country offers. This particularly holds true for leaders on the peripheries of the country who, working with local groups, can embody the role of the catalyst more effectively than political leaders in the country's capital.

• Women business aspirants and those who are have already entered commerce, trade and cottage industries, using fledgling forms of three-way catalysis. Women are particularly adept in developing informal networks involving both information and assistance which can be very helpful for intra-regional and rural industrial coordination.

• Organized youth movements — High unemployment levels among youth is a problem plaguing many developing countries. It is important to tap into organized youth groups in order to emphasize a unique product strategy through training and workshops, taking advantage of that age group's enthusiasm and relative commitment to innovation.

• Teachers and trainers — Since this group has a natural ability to mobilize and motivate people, it is most appropriate to involve such groups in positive catalysis. Teachers and trainers thrive on organization and on the process of human potential channeled into action. They also undergo a continuous learning process and thus can acquire skills relatively quickly.

• Business persons — It is obvious that any business experience, particularly that of coping with the business environment in developing countries, has added value to the shaping of catalysis.

• Expatriates — Many expatriates have a tendency to take up roles as foreign catalysts as a result of their experience at the local and international levels. Such experiences often create commercial opportunities through international trade. Many of these expatriates are socially marginal in their new countries and thus look for some form of business linkage with their country of origin as a means of financial stability.

It is important to focus on what all partners of South and North ought to have for an efficient catalytic role.

- A searching approach to business and tolerance for uncertainty.
- An organic and authentic feeling about working in a developing country.
- Quick to combine and respond to opportunity.
- Being prepared for trial and error.
- Awareness of all catalytic functions in the articulation of new partnerships.
- Perseverance and commitment to keep trying against all odds.

Creative use of private sector sources must be harnessed, both internationally and domestically.

Developing unique products through business catalysis

What are the areas in which the catalytic approach is best suited to developing unique products in South-South cooperation ?

▼ Introduction and effective enforcement of intellectual property rights. Western or Northern intellectual property rights regimes presently completely ignore the cooperative innovation system traditionally upheld and nourished by the people of the South. This system is significant for Southern countries, in that it contributes to the preservation of agricultural and pharmaceutical bio-diversity, new industrial bases and human survival, in the fuller sense of both global health and productivity.

▼ "INWARDS": Integrating neutralized waste as a resource deployment strategy. In order for an economy to be sustainable, industry, agriculture, leisure pursuits and other activities must be based on an enlightened realization of our planet's meager resources. This implies that all activities must be organized keeping in mind the five principles of "Integrated Chain Management" (ICM):

• Elimination of the emission of waste substances, ideally to the level of zero;

• Cascading - reuse of materials as long as possible through recycling, with the lowest possible loss of product quality;

• Prevention of environmental degradation, through "upstream" attention to possible environmental problems "downstream";

• Designing products so that they will not have a harmful environmental impact;

• Local production of machine parts, with emphasis on reconditioning and retrofitting.

▼ Development of environmentally sound technologies (ESTs). New infrastructure is needed to promote the utilization of more sustainable energy sources and to ensure the sustainable use of land and sea-based plant and animal resources. This can help gradually eliminate local pollution, reduce global pollution and prevent depletion of the natural resource base. Since knowledge of available resources is a prerequisite to infrastructure development, national person-

Table 3 • Development and Catalysis, Conclusions

Focus Areas	Catalysis-Driven Effort	Unique-Products-Driven Effort Expected from Catalyst Impact
Poverty Elimination	Mobilization of diverse and remote groups into new viable productive capacities	New productive Intellectual Property Rights strategy
Employment, Sustainable Livelihood	Cooperation with newly recruited non-traditional development partners	Development of unique products for both local and foreign markets
Advancement of women and other disadvantaged groups	A process of "targeted" catalysis following both traditional and neweconomic activity	Focus on talents, careers and leadership potential of women
Environmental protection and regeneration	Environmentally sound technologies — Funds and channels	Integrated Chain Management for "Inwards"

nel need to be trained to map these resources and determine what is environmentally sound. Catalysts can assist in this process by introducing and testing innovative mapping concepts and by training personnel.

Conclusions and recommendations

The relationship between the developmental priorities of the countries of the South and the notion of catalysis to develop unique products is summarized in Table 3:

Bridging the gap between scientific and technological potential of the productive capacity of Southern countries and realities of local and foreign catalysts requires a careful choice of strategy and "practical" tactics. Clearly, if a compulsive military service can introduce women and men to new productive careers — during mandatory service — it may completely change the role of the military and its use of science and technology, and also its relevance to poor people and poverty elimination. This needs to be discussed in the context of possible experimentation in the poor countries of Africa and Asia. Foreign catalysts attracted to disciplined and organized systems in countries such as Benin, the Central African Republic or Myanmar will also have the ability to raise the necessary financial and organizational investments to succeed.

In a more systematic vein, the creative use of private sector sources must be harnessed, both internationally and domestically. What a South-driven development initiative needs is to build partnerships that can :

• Elicit financing both for cultivation of agreed-upon strategies and capitalization of "catalysis" and "unique products" efforts in developing countries. Private Sector funds need to be looked at as truly relevant and legitimate resources for the South's efforts in combating poverty.

• Define concrete "experiments" for joint undertaking of science, technology and design projects for local poor community and external catalysts, especially for mutual long-term benefit.

• Help define a South-South strategy to use the type of openness signaled by major industrial and professional groups particularly in integrated chain management and its use to complement unique product orientation in developing countries. In this context, the demonstration projects begun by Dr. Gunter Pauli in Tanzania and Namibia (in firms producing beer, mushrooms, earthworms, etc.) recognizes the significance of the concept, as leading up to a cooperative strategy.

• Help define new financial sources, as well as in-kind help, to boost the South's capital resources for employing catalysts and its ability to realize its institutional promise to its clients in countries of both the North and South.

• Help create an image and posture of positive catalysis so that business and banking circles recognize its relevance to their self-interest, enlightened or not. In my dealings with many European financial institutions and the International Licensing Executive Society, I discovered a deep appreciation for the role that a catalyst can play in country development in the South.

• Finally, help train cooperatives, informal businesses and fledgling research and advocacy groups to be aware of their positioning in a volatile world market and prepare them to employ catalysts when required. Attempts to do so in a practical manner by groups such as Team Technologies in Botswana and South Africa demonstrate the clear viability and promise of such a perspective.

What is not recommended at this stage are more expensive, elaborate training programs for "would-be" catalysts. There are plenty of well-identified groups that can tap into the training systems already in place, such as the above-mentioned Empretec programmes of UNDP.

The future of unique products in the South is as natural and wholesome as any prayer or deed to fight poverty. We simply need to give it our best effort. ◆

Development of Sustainable Business Information Networks for the Promotion of South-South Trade, Technology and Investments: Lessons of the G77 Trade Information Network

Chambers of Commerce have always been the public sector's overture to private sector economic development. Mr. Tita writes about the ongoing development of a system whereby Southern Chambers of Commerce act as brokers of necessary business information to investors from other parts of the South. He is the Project Manager and Principal Technical Adviser for the Global Management Centre, Private Sector Development Programme of the UNDP.

"There's no heavier burden than a great potential!" - Charles Schultz, Peanuts cartoonist

The proliferation of information network projects in the South during the past decade underscores the significant role that information and its infrastructure (telecommunications and information technology) will have to play if the South hopes to compete economically in the coming century. Access to reliable, accurate and timely information has become a necessity for countries and their businesses that wish to survive in this increasingly globalized economy. This article will focus on the lessons of the Trade Information Network (TIN), a G77 Chambers Network project for promoting South-South trade, in order to examine some of the essential requirements for a sustainable network in the South.

One of the most vexing problems of the late twentieth century is the growing gap between the realities of South-South cooperation and the potential for promoting sustainable human development, as well as national and collective self-reliance. Despite the current focus on South-South cooperation at the international level and within the United Nations system, it remains the least-utilized among the primary global types of cooperation: North-North, North-South, South-North and South-South. It is also important to note that even within the South great disparities exist between regions and countries.

Despite current discussions regarding the significance of business information networks for South-South cooperation, the experience of the emerging "Asian Tigers" demonstrates that information networks are also as much a consequence of trade growth as a cause of it. The challenge in South-East Asia, as trade information experts will attest, is to provide the business community with information on how to expand market share. In Africa, Latin America, or even countries in South-West Asia the challenge is twofold: to provide information that generates new opportunities in markets that have not been accessible before, and to expand market shares in existing ones for indigenous businesses. This issue can be illustrated through the following incident, suggesting the focus of efforts in the development of the Trade Information Network (TIN), for South-South cooperation.

An elderly African trader who appeared virtually lost at a major European airport was seeking assistance to exit immigration. A cursory examination of her documents by an interested bystander revealed that she was instead bound for Brazil with a European connection. Moreover, she had already missed her flight an hour earlier, though she had arrived several hours before. A "to whom it may concern" note which she was carrying was written in English, requiring translation into Portuguese if it were to be useful at her final destination. This woman was a successful and respected trader in her country and she carried a significant sum of hard currency, but by the time her problems were resolved, she had to buy a new ticket, pay for an overnight stay and for the cost of several international calls.

These unexpected delays and other related problems increase the cost of doing business between Southern countries. Issues such as these could have been anticipated and addressed through an effective business information service. Such an information service could have provided a detailed travel itinerary, including stop overs, detailed instructions on passport entry to her destination of choice and the conduct of business upon arrival there, as well as a pamphlet outlining the relevant experiences of other traders' business trips to that country. A strong information network, backed by a personal

BY WILLIAM TIGA TITA

commitment to service will strengthen the confidence with which these international business endeavors are undertaken.

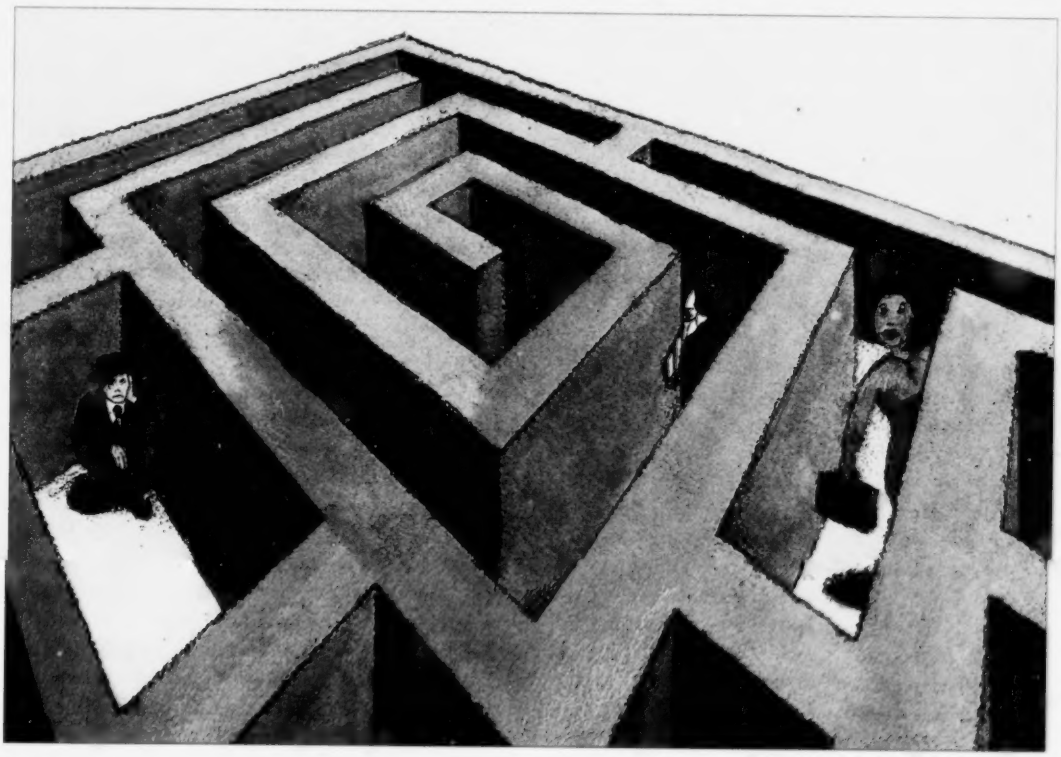
Examining the economic performance of the South in the recent past provides a disturbing picture. For instance, in 1992, the least developed countries' share of world trade was 0.3 per cent, against 0.6 per cent in 1980, a 50 per cent decline. By 1994, Africa's share of world trade was still declining. Although total Foreign Direct Investment (FDI) flows into developing countries reached a record 80 billion dollars in 1994 - boosting their share to some 39 per cent - 80 per cent of these flows were to 10 countries; none were to Africa, with China attracting some 50 per cent alone. To survive, the developing countries have to become competitive in the global market place. To thrive, they must adopt basic approaches which are considered today to be the basis of competitiveness.

These realities cannot be reduced to any single, causal factor. Yet a cursory look at the impact of communication technology must have us wondering whether the state of the third world's communication technology does not contribute heavily to the grossly uneven access to global resources on the part of the least developed countries. The potential of the information and communication revolution to transform how we live, our patterns of work, our institutions and our environment is well-known and cannot be understated. There can be little doubt that the development of these technologies is among the most significant transformation in human communication since Guttenberg's printing press. This revolution has brought about openness, connectivity, accessibility, networking, decentralization and democratization. It is key to both decentralization of power and social transformation. The developed countries have registered quantum gains in productivity, business, trade, transport, manufacturing, banking, tourism and management, all of which can in large part be attributed to these technologies.

Chambers of Commerce and information services: the case of the Trade Information Network

There is certainly no doubt that business information systems are critical to marketing trade, technology and investment opportunities. The potential role for chambers of commerce in providing this service is based on the expectation that an intermediary institution is needed to broker for the small and medium-sized businesses of the developing world.

Eight years ago the Group of 77, in association with the United Nations, decided to fill this gap by assigning to its Chambers of Commerce the responsibility of setting up a trade information network among its member States. This chambers conference has held annual meetings to discuss developing the network, and in November 1990 approved a master plan. This plan defined standardized procedures for data collection and various systems options commensurate with the different capacities of the participating Chambers. It is currently being



implemented on a pilot basis. The network is expected to be consolidated in another several years.

Its design and operational strategy have benefited from the efforts to date. Though we continue to learn from various experiences of member States, the network is very much in its experimental stages. In establishing the TIN, three broad and inter-related strategies have been utilized:

• Development of an institutional mechanism that insures the full participation of all stakeholders in the network and promotes human networking in particular. The Chamber Network has been developed on a regional basis with each regional centre acting as a national focal point. There is a global management center to coordinate the inter-regional activities of the network and to gather and disseminate the lessons of pilot centers to the other members. Several workshops bring together participants from selected Chambers during the year and there is an annual general assembly to discuss the progress of the Network as well.

• Outreach to international and regional networks. There are several thousand databases available worldwide through a variety of networks. All of these are useful to the business community. For the individual Chambers to become "gateways in cyberspace" to the world of business in their countries, there is a need to make information from the various networks accessible to them. TIN seeks to establish linkages to these various networks that will make such access feasible and practical.

• Technical and institutional support at the field level. Field visits are programmed to develop national capacities, resolve specific problems and provide support towards the sustainability of local networks. As much as is possible, the TCDC modality is the approach utilized in meeting the needs of the national focal points of the network.

Lessons learned

Through the case of TIN, and also in efforts to establish other business networks in the South, a number of important guidelines in designing and implementing such networks have emerged:

• The essence of sustainable business information networks is not about hardware and software or the establishment of yet another computer online service. It is rather about information sharing, empowering users and their institutions (in this case the Chambers of Commerce) to handle issues on a sustainable basis, that relate to trade development. It does utilize computer-mediated communications as a means to achieve its final goal, but its most fundamental agents of communication are people. For quite some time into the future, the human network will continue to dominate our information exchanges, followed by other widely-used communications media: catalogues, telex, telephone, fax, etc.

• The network must utilize a broad-based participatory approach. This is true at the Chamber of Commerce-level, and at the national, regional and inter-regional levels. All stakeholders must be involved and included in the process. It cannot be merely a turn-key operation.

• It must emphasize complementarity. The Trade Information Network (TIN) tries to complement and supplement national, regional and other group efforts and does not attempt to compete with them. In this regard, it builds strategic alliances with all known networks involved with South-South trade. A consortium of Network experts will meet in Romania in October to discuss further modalities of cooperation.

• It must be an instrument of dialogue, promoting discussion on how to achieve synergy.

• Its primary focus should be on capacity-building, relying heavily on national human resources and providing training at both the technical and conceptual levels. The experience is that the Network is as good as the standing of the Chambers of Commerce with its members, and as its capacity to support and sustain services. The strategic issue for the Chambers is also to define its mission in this new era of information technology and to prepare for the next century.

• It should be situation-specific, and address problems, issues and opportunities on an individual basis at national levels. Outside intervention should be limited to the macro-level (national business information systems) and the meso-level (Chamber capacity building). At the micro-level the Chambers can and should address the requests of its business community with outside assistance on an as-needed basis.

Both the design and the implementation of the Network must include revenue-generating strategies. Though the network must be financially supported during the pilot phase, it should sustain itself at the operational phase. In some exceptional situations, the subsidy phase might need to be prolonged.

Conclusion

Given the multiplicity of networks in existence, as well as the numbers of countries interested in support in this field, it is obvious that the task is much greater than the stringent financial and human resources available at both national and international levels will presently allow. The need to design a strategy for the future which is realistic and well-targeted and can provide for a sustainable and cohesive assistance, particularly to the least developed countries, is imperative. The lessons of TIN may be a modest contribution to addressing the critical issues in preparing the South to become a major player in the expanding economy of the future.

Is this utopian fantasy or achievable aim? That will depend on one's view of the global collectivity's potential for change. Cartoonist-philosopher Charles Schultz sums up the human condition by putting these words into the mouth of his little "Peanuts" comic-strip character, Linus: "There's no heavier burden than a great potential!". ◆

The TCDC Archipelago: Technical Cooperation Among Small Island Developing States

Small Island Developing States (SIDS) face their own unique problems and challenges to development. Bernabe Garcia discusses recent South-South initiatives among the SIDS. He is the Senior Regional Officer for Asia and the Pacific, with the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC).

SIDS: an international development agenda

The Global Conference on the Sustainable Development of Small Island Developing States, which was held at Bridgetown, Barbados from 25 April to 6 May 1994, focused international attention on the development problems facing small island developing states. The Conference was significant in that it argued for a global rationale for the need to ensure the sustainable development of small island developing States, citing, among other things, the improvement of the ability of small island States to manage their marine resources as having a direct relationship in helping to stem the decline in fish stocks worldwide, now at crisis proportions, and the fact of their being stewards to vast expanses of the world's oceans and the rich resources underneath them. The tropical forests and coral reefs of small island States are also home to innumerable biodiverse species not found in other parts of the world. For the majority of small island states, of which there are about 40 located in all regions of the world - the Caribbean and Latin America, the Pacific Islands, Africa, the Mediterranean/Atlantic and Arab States - their size, dependence on one or two raw commodities for export and their remoteness expose them to special economic and environmental vulnerabilities..

A major achievement of the Conference and the preparatory consultative meetings which preceded it was the adoption of a comprehensive global Programme of Action containing 14 chapters dealing with substantive sectoral and thematic areas of focus, with the 15th chapter outlining arrangements for its implementation.

Principles of cooperation among small island states: the South-South modality

An important emphasis in the implementation of the global Programme of Action is the enhancement of technical cooperation among the small island developing states themselves. The Global Conference recognized the need for small island states to harness the capabilities available at home and to exchange ideas, experiences, policies, practices and, where possible, share training/demonstration facilities among themselves, both intra-regionally and inter-regionally, as a way of resolving their development problems. Differences in the relative levels of development, as well as technical and financial capacities, among SIDS make this modality of mutual cooperation particularly suitable for their purposes. The Conference also put the responsibility for the implementation of the Programme of Action on the small island States themselves. In this regard, the Conference intended the Programme of Action to be owned and managed by the small island States under a system which builds sustainable collective self-reliance.

Role of the Special Unit for TCDC

The Administrator of the UNDP designated the Special Unit for TCDC (SU/TCDC) as the focal point responsible for coordinating the follow-up of the implementation of the SIDS Programme of Action within UNDP. UNDP's mandate to assist in the implementation of the Programme of Action derives from three direct and distinct requests made by the Barbados Global Conference, which were also endorsed last year by the UN General Assembly in paragraphs 8, 9(a) and 9(b) of its resolution 49/122. Briefly, these requests relate to providing support for the development of a small island States technical assistance programme (SIDS/TAP) and a SIDS information network (SIDSNet) to support the implementation of the Programme of Action. At a broader level, UNDP was requested to take the lead in organizing the organizations of the United Nations development system to provide support to SIDS in the area of capacity-building at all levels (national, regional and inter-regional).

In responding to this mandate, the SU/TCDC prepared a feasibility study on SIDS/TAP in time for consideration by the General Assembly at its 49th session last year, following two regional consultations convened by the Unit in August 1994 in

BY BERNABE GARCIA

Fiji and Barbados, involving representatives of small island developing States and relevant UN and non-UN regional institutions, and in consultation with the Alliance of Small Island States (AOSIS). The Unit has also begun work in gathering information for preparing the directory of recognized scholars and experts on SIDS, as requested by the Global Conference. Furthermore, the feasibility study for SIDSNet was prepared by a team of consultants and coordinated in collaboration with the BPPS/Sustainable Development Network Programme (SDNP).

Following the adoption of General Assembly resolution 49/122, the SU/TCDC is now implementing the development of SIDS/TAP by undertaking assessment-cum-formulation exercises in the various SIDS regions on the unmet technical cooperation priorities falling under the 14 chapters of the Programme of Action. The idea would be to identify where the technical cooperation gaps are, particularly in capacity-building, taking into account on-going programmes at the national, sub-regional and regional levels supported by various development agencies and non-governmental organizations, and to formulate activities addressing such gaps at these levels by utilizing TCDC instruments. Further consultations are proceeding with respect to SIDSNet through the sharing of the SIDSNet feasibility study and related technical papers with the information specialists of the small island developing States.

At the national level, the Unit has mobilized, through the UNDP Regional Bureaux and the UNDP country offices, the offices of the UNDP Resident Representatives and UN Resident Coordinators in the small island developing States to provide important advocacy, coordination and funding support for the Programme of Action. Of particular relevance would be the support provided to national Governments in helping to formulate a national action programme reflecting national priorities within the context of the SIDS Programme of Action.

The application of TCDC New Directions

The mandate of SU/TCDC to support the SIDS Programme of Action affords interesting challenges in applying the TCDC New Directions thinking endorsed by the ninth session of the High-level Committee on the Review of TCDC, which met in late May/early June 1995.

The New Directions initiative has put important emphasis on the inter-regional aspects of South-South cooperation, this being seen as a comparative advantage of the Unit. The "pivotal country" approach involving the identification of a lead developing country within a sub-regional or regional context which, by virtue of having certain technical or funding capacities, may be in a leadership position to assist another country, or other countries, will also be utilized. New forms of cooperation modalities are also offered in terms of triangular funding and triangular technical cooperation arrangements. These are forms of cooperation essentially involving a South-South/North configuration in which development problems are identified and formulated by developing countries, with funding or technical inputs, or both, from developed countries. This modality of cooperation would have real applications for implementing the 14 chapters of the SIDS Programme of Action. ◆

The Latin American Economic System At Work: TCDC in Latin America and the Caribbean

The Latin American Economic System, SELA, has achieved the implementation of numerous TCDC activities and programmes within the region over the past 20 years. Rosario Diaz, Chief of Technical Cooperation, SELA, examines this legacy of progress, and reflects on the future of the modality in Latin America and the Caribbean.

The countries of Latin America and the Caribbean have an extensive background in the area of intraregional cooperation, particularly as it is channeled through multilateral cooperation and integration initiatives and schemes at the regional and sub-regional level. This has led to the growth of numerous cooperation precedents with significant potential for future developments in TCDC.

These precedents are particularly valid at present owing to the emphasis now placed on regional cooperation as a tool contributing to surmounting the crisis affecting the region.

Articles 3, 4 and 5 of the Panama Convention, establishing the Latin American Economic System (SELA) in 1975, expressly provided for the promotion of intraregional cooperation aimed at speeding up the economic and social development of its member States.

The Latin American Economic System has since become an innovative and forward-looking institution among developing countries in the area of regional cooperation. This is largely as a result of the manner in which it was conceived and its modes of function.

The Conference of Buenos Aires in 1978 made it possible, within the context of the Latin American Council of SELA, to address the need to carry forth actions at two clearly separate levels: the formulation of a joint Latin American position vis-à-vis the World Plan for Action to be adopted by the Conference; and the establishment of new mechanisms for the strengthening of cooperation with other developing regions while identifying specific sectors towards which Latin American and Caribbean efforts should be focused. The Plan of Action represented substantial efforts at the global level aiming at standardizing, organizing and providing fresh stimuli for development as well as revaluing experiences within developing countries and pointing out salient political factors affecting action. In accordance with the objectives set for it by the Plan, TCDC has been able to contribute elements for solving the problems emerging in development, and has facilitated full and independent usage of national resources and capacities. This creates an environment that produces the conditions for integral, self-sustained and independent development. The mechanism of TCDC represents an attempt to go beyond the traditional concept of technical assistance and aid, based on the notion of the contributing provider rather than the benefiting recipient.

Technical cooperation thus becomes the fundamental building block for a much broader and more complex mutual cooperation effort among developing countries, and for an underlying development approach based on self-esteem and collective effort, all of which has been conducive to the formulation of policies and decisions grouping economic cooperation in the developing world. The decisions reached by the Technical Cooperation Conference at Buenos Aires covered the recommendations to be applied at the sub-regional and regional levels. In the specific case of Latin America and the Caribbean, SELA was singled out as the adequate mechanism for their execution, by using various modalities that allow for generating specific cooperation initiatives at the regional level.

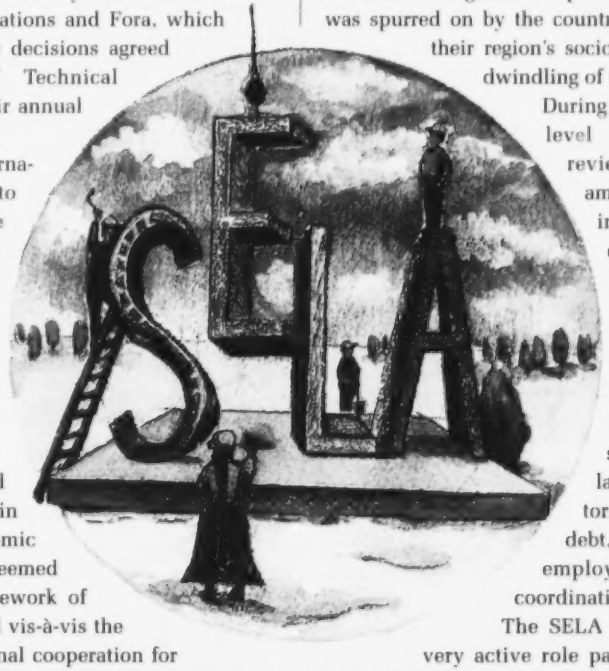
The innovativeness of these approaches, the diversity and wide scope of the issues and interests involved, and the incipient stage of the actions to be launched, made it mandatory to establish priorities for implementation. A selective and gradual approach was adopted in order to allow for the identification of issues, and within these issues, the finding interested parties for TCDC, as well as determining which programmes and projects could be applied and implemented over the short term.

SELA is regional cooperation effort which promotes and provides impetus to linkage and strengthens regional and sectoral schemes and groups acting in Latin America and the Caribbean. Its work needs to be continually promoted at the level of linkage and cooperation with other developing countries, and with groups of countries and regions. Subsequent to the Buenos Aires Plan of Action, the activities carried out and the joint positions adopted at international forums and vis-à-vis third countries permitted the gradual consolidation of a

BY ROSARIO DIAZ

permanent system for consultation and coordination regarding TCDC within the framework of SELA. Inside this framework, governments have been able to make improvements and achieve advancements in the concept of technical cooperation among developing countries, while also introducing and transferring experiences in order to upgrade the functional modalities of TCDC.

Recent years have been characterized by a strong effort to launch TCDC actions within the organizations that make up the United Nations system, as well as within other organizations and institutions that focus on encouraging development activities. In addition to the actions executed by each of the aforementioned organizations, countries are also supported, within the framework of SELA, by the Coordination Mechanism of Regional Organizations and Fora, which seeks to provide support to the decisions agreed upon by the Directors of Technical Cooperation of the region at their annual meetings.



As in the past, the current international situation continues to require the strengthened presence and participation of Latin America and the Caribbean in international economic negotiations. Strengthened participation increases the region's negotiating capacity through the creation of its own development tools, and allows modifications in the Latin American and Caribbean region's participation in the system of international economic relations. In this respect, it was deemed necessary that, within the framework of SELA, joint positions be adopted vis-à-vis the issues stemming from international cooperation for development, the treatment of which at specific international forums directly affects the vital interests of Latin America and the Caribbean.

SELA's achievements in the area of TCDC

Over the past twenty years, the SELA secretariat has achieved the implementation of various activities and programmes, which have contributed to the development of TCDC throughout the region. The actions which have been institutionalized and consolidated within SELA include: holding annual meetings of Directors of International Technical Cooperation (TCDC National Focal Points); reasserting the important role played by the processes of consultation, coordination and concentration of their policies; taking actions relating to international, bilateral and joint or regional technical cooperation as a means to deal with the different events that appear in the international political economy; and making optimum usage of the technical and financial resources available in the region. As previously pointed out, the initial objectives sought by the Buenos Aires Plan of Action remain applicable. However, these objectives need to be able to stand on a realistic basis in order for countries to implement specific actions — taking into account the fact that the world socio-economic situation has deteriorated significantly.

A positive change has been detected in the attitudes adopted by developing countries as seen in improvements in the quantity and quality of TCDC activities. This shift generates a favorable climate for integral development in the years that lie ahead, and was spurred on by the countries' acceptance of the reality of their region's socioeconomic deterioration and the dwindling of traditional cooperation sources.

During the ninth session of the High-level Committee responsible for reviewing technical cooperation among developing countries (held in New York in June 1995), discussions focused mainly on the new directions for TCDC. The report submitted by the Special Unit for TCDC (SU/TCDC) of the UNDP recommended that, in the future, TCDC should adopt a more strategic focus supporting initiatives in a stipulated number of high priority sectors, such as trade and investment, debt, poverty relief, production and employment, macroeconomic policy coordination and aid management.

The SELA secretariat has been playing a very active role particularly in the area of trade, and in this regard, was very active in the Uruguay Round. The secretariat recently convened a meeting to analyze new trade issues, specifically the issue of trade and the environment. Likewise, it has plans to carry out work on policies in the area of competitiveness and investment, labour regulations, immigration and social issues, as well as the issue of regional trade. In addition, the SELA secretariat has been making progress on New Guidelines of International Macroeconomic Coordination. In connection with this issue, the SELA secretariat convened a dialogue of high-level government officials for the purpose of examining the most significant trends that are being shaped in the restructuring and redefinition of the World Bank, the International Monetary Fund, the World Trade Organization and the United Nations. SELA and the countries of the region hope from this to determine the status

of the world economic and social system and its impact at the level of national and international policies of the Latin American and Caribbean countries.

SELA has recognized the potential offered by TCDC as a mechanism for strengthening cooperative relations between the member States of SELA. It was acknowledged that there has been a substantial increase in the capacity of the Focal Points to manage cooperation, particularly TCDC. This increased capacity is evidenced in increasingly improved quality of the negotiated bilateral programmes, (characterized by a higher level of rationality and reality) and leading to increases in resource flows to the region for TCDC.

Reflections on the future of TCDC and its new guidelines

An analysis of the achievements made to date clearly indicates that significant progress has been made by the Latin American and Caribbean region in varied fields. Nevertheless, a long road remains to be traveled. This implies that TCDC can no longer be treated as an isolated instrument, but instead needs to be conceived as an essential and basic tool linking interactive processes between countries of the region and beyond — that is, with the countries of other developing regions. This objective can be achieved by harmonizing trade policies and economic policies.

Likewise, an attempt must be made to use TCDC as an element of a global strategy that facilitates the treatment of those larger issues identified by SELA as priorities for the region's economic and social development. To this end, the work will be oriented towards the execution of actions and projects of a regional nature, and which generate the benefits required by countries on an individual basis adapted to the needs and potential present in each of them. The challenge in this respect lies in the hands of SELA, which will need to launch this new cooperation strategy in order to thus increase its accomplishments as the Regional Focal point for TCDC. SELA's achievements, it should be added, have been a source of encouragement for other developing regions. Furthermore, in the framework of the meetings of Directors of International Technical Cooperation, permanent reflective exercises have been carried out. These exercises have not been limited exclusively to TCDC; they have also addressed international technical cooperation, and in this respect, the following conclusions were reached:

- That international technical cooperation in general and TCDC in particular are tools that provide support to plans, programmes, and projects for national development and foreign policy of member States;
- That international cooperation continues to progressively decline, particularly with regards to Latin America and the Caribbean;
- That conditionalities are rising in negotiations for cooperation programmes. The most apparent of these conditionalities are of an economic nature, those relating to development models, political conditionalities and those relating to specific sectoral problems;
- That cooperation policy creates a background for a sustainable development model, placing emphasis on human resource development, including private sector initiatives. At present this renders our countries' participation in international cooperation more complex.

> TCDC can no longer be treated as an isolated instrument, but instead needs to be conceived as an essential and basic tool linking interactive processes between countries of the region and beyond.

In the light of the previously cited elements, and clearly aware of the limitations facing our National Focal Points which are in charge of executing international technical cooperation and TCDC activities, it was agreed:

- ▼ To ensure that there are adequate national, institutional and financial counterparts in order to achieve the effective and efficient execution of development programmes backed by international cooperation;
- ▼ To perfect, in accordance with the legislation in force in each of the countries, the participation mechanisms of the different national actors in international cooperation programmes, such as non-governmental organizations, cooperation networks for common interests, the private sector, universities, and scientific and technical institutions.
- ▼ To improve national cooperation management systems by establishing stable and coherent management schemes throughout the region, creating professional work teams for the cooperation systems and treating the differing characteristics of the management systems of the countries of the region.
- ▼ To insist that it is necessary that the selection of cooperation projects, by the cooperating actors, be based not only on the criterion of excellence but on their relevance thus making it possible to address the problems of greatest urgency;
- ▼ To upgrade negotiating systems for international cooperation, exchanges of information with different sources, and, for this purpose, to harmonize programming methodologies by cooperation source; design policy allowing the countries of the region as a whole to continue both their participation and their enjoyment of a share of the benefits generated through the sys-

tem of international cooperation.

Furthermore, the member States were urged to implement the following recommendations in the area of TCDC regional strategy:

In connection with the Focal Points' institutional aspect:

■ Continue to support and upgrade the training of human resources linked to the management of international technical cooperation.

■ Press for support by Governments for the strengthening of tools for the implementation of TCDC in legal, financial and procedural aspects.

In connection with management capacity:

■ Reiterate the need to harmonize technical cooperation information systems available in the various countries of the region, the United Nations system (CTPD-INRES) and the regional information system for TCDC offers and needs (INFOSELA), in order to achieve compatibility of criteria and avoid duplicity of efforts.

In connection with financing:

■ Adapt the principle of shared costs of TCDC to the development level of the different countries, aiming towards the objective of having a type of cooperation that allows execution with solidarity, thus allowing the lesser developed countries of the region to participate adequately in the programmes that use this cooperation modality.

■ Implement support mechanisms for obtaining financial resources as real national counterparts in international cooperation projects in general and TCDC in particular.

■ Maximize the usage of the triangulation mechanism with industrialized countries and international organizations.

■ Create and/or strengthen TCDC umbrella projects with funds of the national indicative planning figures of the UNDP and/or other financial resources.

Promote closer linkage between TCDC and ECDC.

■ A serious effort needs to be made in order that a diversity of private and public actors may undertake a greater role in the definition and execution of varied cooperation programmes. This is especially important in those spheres in which the State lacks experience or has indicated that it is not a competent manager. These difficulties need to be overcome so that cooperation may follow the right trail and fulfil its true objective. Let us not forget that cooperation is not an end in itself.

For our region, the fundamental objective should be to achieve important strides on this trail towards development. In this respect, the achievements should be measured by the benefits at the human level and not on the basis of economic indexes. It should therefore be kept in mind that there is not automatic link between economic development and human development. Therefore, in order to avoid the bitter episodes of our past, the right priorities must encompass not only growth in numerical terms but also the abolition of extreme poverty and effective participation in the international economy.

The past 15 years have exposed us to sufficient experiences from which to draw important lessons of extreme relevance for Latin America and the Caribbean. The first lesson for the region is that it should find solutions to problems and face challenges with its own potential, turning to its own resources and always keeping in mind its limitations. In this respect, it is important to emphasize the cooperation provided by countries of the region with relatively higher levels of development as well as that available through the TCDC mechanism, an important cooperation tool for Latin America and the Caribbean characterized by the essence of solidarity which needs to be disseminated among the contributing countries and organizations.

The second lesson to be learned is that a minimum level of definition and coherence must be laid down in terms of the road to achieving human development, economic growth and effective institutional structures. The tasks relating to the concentration of international cooperation, in the framework of development and the cooperation process, are directed much more towards: incorporating marginal sectors into the productive process; the development of human resources; the broadening of the business sector by supporting microenterprises and small- and medium-sized enterprises; the quest for forms of association between the State and society in order to comply with these objectives; the decentralization of management, economic and business activities; and the modernization of the State.

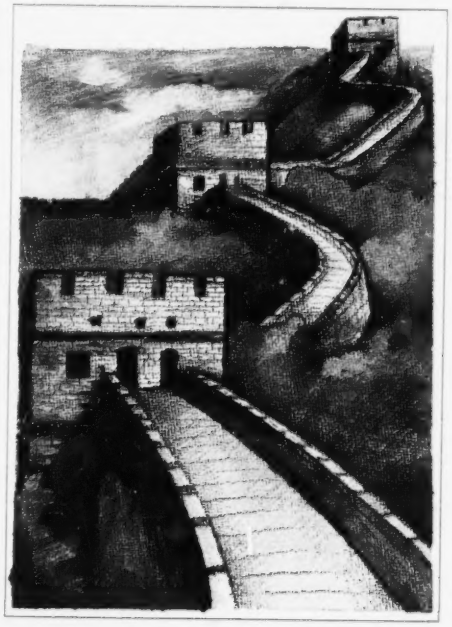
To conclude these thoughts I would like to refer to a statement made by the Central American Action Committee for Economic and Social Development (CADESCA) in its final report. CADESCA pointed out that external cooperation always involves a political action and that technical efforts for cooperation cannot be severed from the political considerations which spur these efforts. On the other hand, it is not possible to develop technical and financial cooperation unless it is linked to political, trade and cultural relations, creating financial windows with these contributors. Cooperation is always of a higher standard when it is recognizes and awards respect to its source or contributors, viewing these as genuine political actors that can agree on shared objectives. And these common objectives, which serve as the foundation for the financial and technical agreement, also permeate the sense of the well-merited respect felt by the beneficiaries towards the contributors. ◆

TCDC/ECDC in China: A Country Level Overview

China has a long history of South-South exchanges, dating back well before the institutionalization of TCDC within the United Nations system. Ms. Xu Xiufen, Senior National Officer of the UNDP Country Office in Beijing, discusses the present and future growth of support and programming for TCDC in the People's Republic of China.

How China understands TCDC/ECDC

Technical Cooperation among Developing Countries/Economic Cooperation among Developing Countries (TCDC/ECDC) can be understood in a narrow sense as any cooperative activity for development between two or more developing countries. Such activities are initiated, organized, managed and principally financed by developing countries themselves. In a broader sense, participation from UNDP, United Nations bodies and agencies, non-governmental organizations and private sectors and donor governments is also very important in terms of funds, technology, information and coordination. The importance of interdependency in the international economy today is unprecedented. No economy, no group of economies, developed or developing, large or small, can stand alone. Their patterns, modalities and stages of development may be different, but the problems of development - social and economic, national and international - are similar in nature. Concerted efforts by developing and developed countries are necessary if a new international economic order that is of benefit to all is to be established. While the progress of developing countries depends primarily on their own efforts, that progress is also affected by policies and performance of developed countries. At the same time, it is evident that, as a consequence of widening international relations, cooperation and interdependence, the progress of developed countries is increasingly affected by the policies and performance of developing countries.



For decades TCDC/ECDC has been actively utilized as a modality by developing countries. A major outcome of almost five decades of development activity has been the significant pool of experience and expertise which developing countries have been able to acquire as a result. This experience encompasses all economic sectors and embraces the range of development instruments such as policy regimes, institutional systems, technology, investment, trade, poverty elimination, environmental protection, employment creation and human resource development. It is recognized that developing countries could gain by exchanging experience and expertise with each other and by establishing network and joint ventures. This provides the rationale for TCDC and ECDC.

China understands TCDC/ECDC in its true sense and has played a leading role in its promotion since the 1950s. China began its foreign aid to other developing countries in terms of providing long-term and interest-free loans, dispatching experts to transfer technology and know-how in various sectors and by providing quality machinery, hardware and equipment. In the 1970s TCDC/ECDC emerged in the international economic and political arena as an attempt to increase horizontal exchanges among developing countries. It was both a strategy for accelerating the development of these countries and a means of promoting their more effective integration into the international economic system. In addition to these initiatives, the United Nations felt it necessary to hold a conference on TCDC at Buenos Aires in 1978. In that same year, the UNDP Country Office was established in Beijing. The Buenos Aires Plan of Action (BAPA) which emerged from the meeting represents a major milestone in the evolution of technical cooperation among developing countries in that it provides the conceptual

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underpinning as well as a practical guide for realizing the objectives of TCDC, and is fully supported by the Chinese Government.

China's policy on TCDC and its Focal Points

In response to the call of recommendation 3 of BAPA for the establishment of national focal points for TCDC, in 1982 the Chinese Government established a complete organizational structure to coordinate the focal point for China. The Department of International Relations of the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) is the focal point at its policy level; the China International Centre for Economic and Technical Exchanges (CICETE) under the Ministry is executing agency of China's TCDC/ECDC activities within the framework of its UNDP country programmes; while the Department of Aid to Foreign Countries of the Ministry executes and coordinates training programmes under a special fund established by the Chinese Government for TCDC.

These well-organized structures, supported by the highest levels of the Government, serve as lines of communication to various ministries and institutions, to non-governmental and intergovernmental organizations, and to TCDC focal points in other developing countries and within the United Nations system.

The Chinese Government believes that the strengthening of solidarity, as well as economic and technical cooperation with other developing countries, is a very important component in China's foreign policy. The Chinese Government's support to TCDC was reiterated when it formulated the principles of "equality and mutual benefit, stress on practical results, diversity in forms and attainment of common progress". With a clear national policy on TCDC, and with well-organized structures and ensured resources, the TCDC/ECDC activities both at promotional and operational levels are conducted in a comparatively well-planned and systematic way.

All these TCDC activities and contacts, both at the promotional and operational levels, often lead to greater overall economic cooperation or to expansion of trade between developing countries.

Special fund for TCDC

The Chinese Government established a special fund for TCDC with an annual spending of about RMB 7.0 million from its own national budget, as well as providing a specific portion of the indicative planning figure (IPF) for TCDC/ECDC activities from its UNDP country programmes (CP). Such funds are not only available to finance the local costs of operational TCDC activities organized by China for the benefit of other developing countries, but also to provide fellowships for group training courses, study tours and observation visits upon request, and to guarantee the implementation of TCDC activities reached with other developing countries. A good example is the first ever intergovernmental TCDC programming exercise in 1983, held in Beijing when China opened up training opportunities in some of its major institutions to other developing countries, with a further offer to provide expert services to countries with matching needs.

The Beijing TCDC Programming Exercise in November 1983, attended by China and eight other developing countries, resulted in bilateral agreements for 37 activities between the countries, including some in which China was not a party. The meeting adopted the idea of designing activities such as training, exchange of know-how, experts and even provision of small equipment by matching capacities with needs, thus building bridges of cooperation between developing countries. Three years later, in November 1986, the Chinese Government hosted another Inter-Governmental TCDC Programming Exercise in Beijing and 143 agreements were concluded during the meeting. Out of the 143 projects, 46 projects benefited China and 97 projects benefited 24 developing countries in different regions. Following the two TCDC Intergovernmental Programming Exercises hosted by China in 1983 and 1986, China sponsored the resolution entitled "Furthering Strengthening and Improving Intergovernmental Programming Exercises for Technical Cooperation among Developing Countries" at the Fifth Session of the High-level Committee on the Review of TCDC held in 1987, and the resolution was adopted by the General Assembly in the same year.

At the operational level, the Chinese Government has also undertaken a lot of TCDC/ECDC activities both bilaterally and multilaterally. For example, the Chinese Government provides technical assistance programmes through UNDP to other developing countries. From 1983 to 1994 the Chinese Government implemented 664 TCDC projects, in which more than 1,300 technical personnel from developing countries were trained. The programmes included such specialized fields as agriculture, animal husbandry, desert control, energy, water conservancy, fisheries, food and meat processing, food enterprise management, forestry, handicraft, health care, light industry, machinery, medicine, mining, population survey techniques and wine-making. One hundred fifty-three TCDC projects were implemented in China in 1994, among them 12 specialized training courses with 277 trainees from 52 developing countries participating. Furthermore,

China also sent experts abroad to conduct surveys or to lecture at workshops in specialized fields. By the end of 1995, China will have conducted 14 practical training courses. In all these training courses, the Chinese Government provides for the tuition fee, boarding, lodging and a small amount of pocket money for the trainees while they are in the training place. The costs of return air-tickets and a transit daily subsistence allowance are borne by the participants, who may find financial support from their own Government, the UNDP country office, the Special Unit for TCDC in New York, or a third party. Since 1995, the application procedures have been simplified so that the Chinese Government's delegates to the Economic and Commercial Counselor's Office of the Chinese Embassy in various countries have the ability to interview candidates, and to decide whether to accept such candidates. The Embassy can then exchange letters of agreement with the candidate and issue a visa for travel to China once he or she is accepted.

Demonstration on sausage making during a training course.

All these TCDC activities and contacts, both at the promotional and operational levels, often lead to greater overall economic cooperation or to expansion of trade between developing countries. Indeed, in many cases, TCDC provided a viable means of problem-solving. The Hangzhou Hydro-Power Research Centre of China has been promoting cooperation, support and training — with Fiji, Nepal, Peru and the United Republic of Tanzania — in the field of mini-hydro power projects to meet the needs of isolated and rural areas in those countries. After biogas training workshops, the biogas technology and models of China was introduced to Brazil and Costa Rica. An irrigation dam was built in Turkey with the help of Chinese experts. These are only a few examples from around the globe.

Another important project has been the compilation by the Chinese Government, with the support of the Special Unit for TCDC and UNDP/Beijing, of a large compendium of China's capacities covering many sectors for potential utilization of TCDC global meetings and for exchanges with other developing countries. This compendium has been included in TCDC's "INRES-Lite".

Experience in CP I and CP II

As noted above, good cooperation and positive support from outside are vitally important for the success and sustainable development of TCDC activities. Since the establishment of a UNDP presence in China, the focal points of TCDC in both the Government and the UNDP country office, and their senior officers have been in active contact and meet regularly to map out a strategy for TCDC and to incorporate it into the main multisectoral themes of country programmes within the Government's initiatives.

The first (CP I) (1981-1985) and second (CP II) (1986-1990) country programmes were, for both the Government and for UNDP, a period of learning and experimentation to identify a viable TCDC approach.

CP I focused mainly on institution-building for seven research and development centres which provided training to developing country participants. Of the $3.9 million earmarked for TCDC in CP I, $2.1 million was set aside for this purpose. These centres are for the development of small hydro power, agriculture, sericulture, biogas, acupuncture, primary health care and integrated rural development. The expertise and training facilities of the seven regional centres were made available to developing countries in Asia and the Pacific, Africa and Latin America. Institution-building is a continuous and evolving process that can not be neatly fit into project life cycles. A UNDP-funded project is only the start of the institution-building process. Thereafter, the Government continued its support of the institution-building process with its own resources.

For CP II, the focus was on funding agreed TCDC exchanges and activities from the Inter-Governmental Programming Exercises (IGPEs) held worldwide. TCDC "markets" as they are popularly known, match the needs and capacities of the cooperating countries. Three projects were established with IPF funds to implement the agreements reached at IGPE to finance study tours of Chinese officials to other developing countries, to finance the travel costs of resource persons and participants to meetings in China, and the travel costs of trainees from other developing countries. However, owing to financial constraints and the absence of effective TCDC focal points in some other countries, the implementation rate was low. In the absence of secure bilateral or multilateral participation, TCDC activities could not be adequately planned. This resulted in atomization and a lack of sustainability.

New Considerations in CP III

Taking the above-mentioned points into consideration, it was agreed that in CP III, UNDP and the Government would continue to support workshops, study tours and opportunities for the matching of needs and capacities, and to finance foreign exchange components of the cost of participation in meetings and conferences, with special attention being given to the following priority areas:

Human resource development with a focus on management and training; Sharing and adaptation of technology in poverty

alleviation, economic reform, environment protection, etc.; Development of South-South economic cooperation, trade, investment and joint ventures.

Bearing the above in mind, two new projects were established. One is technical cooperation between China and other developing countries in selected priority sectors and the other is stimulation of growth and employment in the south-west and north-west provinces and autonomous regions of China, through promotion of economic cooperation with adjacent countries in the subregions. The first project will assist research and development centres and other institutions in developing and strengthening their capacity so as to enable them to become more effective national conduits for implementation of technological advances in their respective functional areas. The focus of the project will be on activities which aim to assist in the development of adoptive skills and in the improvement of management capabilities. Within the framework of this national project, a series of thematic studies will be concluded, workshops and seminars will be organized and the results disseminated. The second project will facilitate the process of ECDC and expansion of trade and investment through promotion of new partnership and cooperation between the concerned government agencies, provincial authorities, institutions, enterprises in China and those of the adjoining countries, so as to strengthen economic management and foster commerce in the subregions. These two projects are in keeping with the New Directions Initiative adopted at the ninth session of the High-level Committee on the Review of TCDC in May 1995.

In addition to UNDP/Beijing's good cooperation and assistance, the Chinese Government also maintains close relationships with SU/TCDC, ESCAP, UNIDO, ITC and other international organizations and agencies. With the help of SU/TCDC and UNDP/Beijing, an international workshop on the "Spark Programme" was organized by the Chinese Government from 4 to 8 April 1994, in Beijing. China's success in the Spark Programme is worthy of emulation and should be a source of encouragement to other developing countries. By using its own considerable pool of scientists and technical experts to work in the rural areas among farmers, and providing financial resources at the central and local levels, Spark has become a model for self-reliance. Spark continues to play an important role, especially in the country's new poverty alleviation programme. During the workshop, foreign participants gained valuable information from the experiences of Spark for possible application and adaptation to their respective country situations.

Another example of collaboration between the Chinese Government and SU/TCDC is the Conference on the Establishment of International Network on Small Hydro Power (INSHP) held in China from 12 to 15 December 1994. The Conference demonstrates the successful joint effort made by the Centre, the Chinese Government, UNDP/Beijing and SU/TCDC and other international organizations to cooperate in the areas of energy utilization, environmental protection and poverty alleviation. Since its establishment in December 1994, INSHP has been making steady progress with the support from United Nations agencies, relevant governments and non-governmental organizations. To make it fully operational, a working conference will be held at Milan, Italy, between 18 and 20 September 1995.

The ESCAP/China TCDC cooperation project entitled "Strengthening the capabilities of TCDC national focal points of selected Pacific island developing countries: study tour-cum matching exercise in China," was held in Beijing from 25-29 October 1994. The meeting was attended by representatives of TCDC and national focal points from China, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Papua New Guinea, Samoa and Vanuatu. The objectives were to learn from the experience of the Chinese TCDC national focal points, and to identify and match needs of participating Pacific Island countries with capacities available from China in the form of specific training courses being offered in 1995. All participants agreed that the study-cum-matching exercises provided an excellent opportunity to learn about the capacities available from China and to consider appropriate measures for strengthening the role of the TCDC national focal points in the island countries of the Pacific, and that this activity paved the way for closer cooperation between China and the Pacific Island countries.

Conclusion

Implementing the new directions of TCDC is both a challenge and an opportunity to China and UNDP. It is necessary that TCDC should be incorporated in the next country programme in a bigger way. The Government, UNDP and executing agencies must consistently explore new approaches of TCDC during the next cycle. UNDP and the High-level Committee on TCDC could play a powerful role in China, should it choose to maintain its momentum in this area. Several things can be done, for example: strengthening the capacity-building of the focal points in China by providing training and study-visit opportunities for their staff, or by providing office equipment, and by helping the Government expand its tool kit of capacities into a multidimensional information system: containing information not only on institutional capacities, but also on selected expertise, centres of excellence and successful programmes and project experiences that are capable of replication in other countries through the provision of consultants. The experiences and achievements of TCDC/ECDC in China can be found in other larger developing countries too. Further symposia and workshops can be organized by SU/TCDC for national focal points to exchange experiences and to explore new dimensions of TCDC/ECDC. At present there is considerable momentum in the direction of these activities, but they will require additional effort and support if their full potential for South-South cooperation is to be realized. ◆

The New Tigers: An African Perspective on Modalities of Africa - Asia Development Cooperation

The so-called economic tigers of South-East Asia - the newly-industrialized economies, or NIEs - hold lessons for developing countries the world over. Mersie Ejigu examines the rising tide of South-South exchanges between Asia and Africa and the implications for future development emerging from these initiatives. He is currently Regional Director for Eastern Africa of the International Union for Conservation of Natural Resources and is former Minister of Planning and Development of Ethiopia.

The past two and half decades have witnessed phenomenal economic and social development in the South. These successes, although often unevenly distributed, have created immense opportunities for revamped cooperation among countries of the South, particularly between Africa and Asia. Indeed, the vast literature on Africa and Asia suggests that Africa has a lot to learn from the Asian development experience in such areas as economic management, private sector development, human capability expansion, export diversification, industrialization, agricultural policies and the role of governments. Furthermore, differences in endowments between the two regions and variations in stages of technological and economic development offer ample opportunities for cooperation. There are at least six modalities that exemplify this cooperation: exchange of information and experiences; transfer of technology and know-how; twinning arrangements; financial and technical cooperation (bilateral, South-South, triangular); trade promotion; and the encouragement of direct Asian investment in Africa.

The substance and modalities of development cooperation between Africa and Asia have been influenced by several global developments.

First, the challenges and opportunities brought home by the new international division of labour of the post-Cold War era. The globalization of markets and finance, advances in computing, information processing and telecommunications have created an increasingly interdependent world, expanding the volume of business and heightening international competition. Africa entered the 1990s facing the daunting task of recouping the losses of the past decade and returning to the path of sustained social and economic development. Yet the region remains far behind other regions in the level and growth rate of major economic and social indicators. Despite efforts at adjustment and democratization, Africa as a whole appears delinked from global political, commercial and technological advances and decision making. Africa can not take advantage of and participate in the globalized, international financial system as its own domestic financial system remains underdeveloped. Reversing such trends requires rethinking of the traditional North-South cooperation patterns and setting in motion new approaches.

Second, South Africa has emerged as a dynamizing factor for intra-Africa cooperation. There are still too many imponderables regarding the ultimate impact of South Africa's participation in the African economy, but there is an emerging consensus that the breadth and depth of intra-Africa cooperation, in particular that of Southern and Eastern Africa, will be positively influenced by developments in South Africa. The South African economy is expected to move into a period of revival and growth. Given the size of South Africa's economy and its technological base, its growth means improved trade and an increased flow of capital and labour circulating to countries in southern Africa and beyond. At Kenya's trade fair in July 1992, for example, 200 South African exporters were reported to have been represented. Equally important is the fact that the image of Africa has already evolved as a result of the positive changes taking place in South Africa. South Africa could provide the technological leadership to the continent, having the potential to model growth and civil society through accommodation and peaceful coexistence.

Third, official development assistance (ODA) — excluding relief assistance — flows to Africa are on the decline and patterns of financial and technical cooperation are also changing. There is a noticeable erosion in the resource base of multilateral agencies, in particular in the United Nations system and lately in the African Development Fund (ADF); resources for development in Africa may increasingly be crowded out in

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favour of other regions. The outlook for bilateral ODA is also not bright, as many OECD countries start to look either inward or towards Eastern Europe and at the same time political opposition in the developed world hardens towards increased aid. According to the Annual Report of the Global Coalition for Africa of 1992, ODA in 1992 in nominal dollars (to Africa) declined by 23% for Germany and by 28% for the United States. Nominal ODA from Japan fell by 9%, from Canada and the United Kingdom by 6%, and from Sweden by 4%.

Indeed the new international system of the post-Cold War era has visibly failed to evolve a collective system for dealing equitably with increasing globalization and integration. Africa will have to look more to internal sources of growth and non-traditional sources of capital and technology to finance its development. Given the high and sustained growth of output achieved by East, South and South-East Asia, stronger cooperation between Asia and Africa contains tremendous opportunities. The Tokyo International Conference on African Development (TICAD) and its Declaration are intended to give impetus to these opportunities. In an effort to avoid the difficulties experienced by the series of initiatives on African development taken in the 1980s — the Lagos Plan of Action, the Maastrich Conference — all efforts should work to put in place mechanisms that would facilitate the implementation of the United Nations New Agenda for the Development of Africa in the 1990s.

Cooperation between Asia & Africa needs to be pursued based on equality and mutual respect, guided by the desire to learn from each other.

Matching needs and capacities

The term "Africa," as used in this paper, refers to a diverse group of countries (small and big, island and landlocked, resource poor and resource rich). Similarly, Asian countries range from city states like Hong Kong and Singapore, to giants like China. The focus of this paper is on East and South-East Asian countries. The matters to be discussed entail treatment of cooperation issues at the regional rather than at the national level.

While the motivations of African countries toward cooperation emanate from the requirements of recovery and economic transformation, the question arises as to what would motivate Asia to cooperate with Africa? For Asia too, economic and commercial interests are the driving force. Specifically, these interests may be given by such factors as: the long standing Asian solidarity with Africa; the need to expand markets; Africa's rich natural resources; improving access to raw material resources. At present, Asian investment is mostly in North America and Europe, as it aims at capturing and maintaining the market in these regions. Whether or not Africa will be in a competitive position with regard to other regions in attracting Asian funds, will depend on the capacity and commitment of African countries to creating an enabling environment for foreign investment - developing the private sector, removing investment constraints, and so forth. Some countries like Japan, however, will find motivation enough in the desire to promote Africa's economic and social development. The initiative taken to convene the Tokyo Conference is a good example. Programmes and projects put in place by the Bretton Woods institutions could be the other motivating factor. According to Japan's ODA Annual Report 1993, Japan's policy is to support the African countries' democratization process and structural adjustment efforts as articulated by the Bretton Woods institutions.

Guiding principles

The bottom line in expanding development cooperation between Africa and Asia is, however, that needs and capacities have to be matched in a mutually beneficial manner. In doing so, the following points need to be considered as the guiding principles.

First, cooperation between two countries has to be mutually beneficial to be durable, sustainable and long lasting. Asia should benefit from the cooperation as much as Africa, although the gains need not have equal monetary value. Given the different stages of technological development that countries in the two regions have reached, interests could be diverse. For Asia, it could be the opening of markets in Africa and disposal of surplus funds in investments with a high rate of return. On the other hand, Africa might be interested in the transfer of technology and know-how. Therefore, the scope of development cooperation should be sufficiently broad to enable each participant to maximize benefits.

Second, Asia-Africa development cooperation should not attempt to reinvent a North-South type of cooperation, or a donor and recipient relationship. It is important not to give the impression to African countries that there is a changing of the guard from Europe to Asia. Cooperation needs to be pursued based on equality and mutual respect, guided by the desire to learn from each other. It should also promote a two-way flow of experience. For example, UNDP experts argue that in such areas as HIV pandemic control and health management, Asia has a lot to learn from some African countries that have succeeded in developing effective health care delivery systems and infrastructure.

Third, cooperation should be genuinely demand-driven. Programs must be initiated, prepared and implemented by Africans or Asians themselves. The task of the United Nations system, or of a third party, is to facilitate exchange of ideas and information in the most cost-effective way and to provide financial support when the need arises.

Fourth, cooperation ought to be carried out at all levels with broad participation by different actors. Government agencies, private individuals, academicians and non-governmental organizations need to participate. Cooperation should be encouraged at regional, subregional, national and organizational levels, and needs to be firmly grounded in grassroots level interaction. As the history of development cooperation testifies, it is when there is private sector interest that governments tend to push for stronger public-private cooperation.

Fifth, cooperation should recognize the cultural and geographic diversity of participating countries. Neither this report nor such initiatives as the TICAD should be understood as attempts to trumpet the Asian success under a "follow Asia" slogan. Various mechanisms created to facilitate this cooperation should not signal that the Asian miracle can be reproduced in Africa. As the Asian experience shows, no two countries have identical patterns of development. Nor can there be a mechanistic view of development.

The call has gone out for closer interaction and the setting up of mechanisms and networks to create an enabling environment for each economic agent to make informed decisions. Capital moves to areas where it has the highest rate of return and this high rate of return could result from a better quality of labour, easily exploitable natural resources, etc.

The message that emerges from the vast literature on Africa and Asia is that Africa's knowledge and information on Asian development has to be broadened and deepened. It will be advantageous to both sides to heighten the interaction on several fronts: economic management; private sector development; trade; investment; human resource development; agricultural development and science and technology.

Differences in the level of economic and technological development, and also in resource endowments, provide ample opportunities for broader and deeper development cooperation, and also determine the modalities of development cooperation. Consequently, the key factors that determine the modalities are:

- The nature and relevance of lessons learned from the Asian development experience.
- Differences in factor endowments between the two regions.
- Variations in the stage of technological and economic development.

Exchange of experience and know-how

The far-reaching lessons drawn from Asian development make exchange of experience and know-how an important modality of development cooperation between Africa and Asia. What then are the lessons of the Asian development experience and to what extent are they relevant to Africa? Forging a new and robust relationship between Africa and Asia requires an understanding of Africa's post-independence developments in juxtaposition with Asia. The task here has been made easy by the extensive studies carried out by renowned institutions and scholars, and in papers presented in various workshops (see references).

The logical starting point would perhaps be a discussion of factors identified as major determinants of growth in Asian countries. These are: sound macroeconomic management; agricultural productivity; long term investments in education and human resources development; market friendly and export-led trade policies; savings and capital formation; policy emphasis on private sector investment as the engine of growth, and land reform in the early period. Even then, it is necessary to make four observations that would be the building blocks for evolving workable modalities of development cooperation between Africa and Asia.

First, there is no single Asian model. The group of Asian countries referred to here vary from resource poor countries such as Korea to resource rich countries like Malaysia and Indonesia; from countries with homogenous ethnic groups such as Korea to countries with high levels of ethnic difference like Malaysia. Economic policies are also different; while Hong Kong followed laissez-faire policies, most have policies characterized by extensive State intervention. In some, agriculture was the source of capital accumulation, in others food was cheap, still in others, it generated export earnings. There were, however, similarities: many passed growth-oriented policies, and initiated long-term plans with 5-, 10-, and 25-year horizons. Asia had no development magic. Development success entails considerable sacrifice, hard work, vision, a pragmatic approach to the realization of that vision and reliance on internal sources of growth. Africa, on the other hand, despite promising starts in the immediate post independence period, had an economic environment typified by "crisis management," focused on handling day-to-day survival issues rather than on medium to long term development strategies.

Second, although many Asian countries were uniquely successful in maintaining macroeconomic stability and sustained economic growth with equity, it is important to avoid generalizations such as: all Asia has been doing well and that Africa has been doing badly. Both the positive and negative aspects of development have to be chronicled. Indeed the objective conditions in Africa are no worse than some countries in Asia today (e.g. Myanmar, Laos, Cambodia or Nepal). Moreover, there are convincing historical explanations (endogenous and exogenous factors) for the economic malaise that Africa finds itself in today.

Third, given the dynamics of international cooperation

today, many economists argue that the Asian experience appears more relevant than other models to the conditions that Africa finds itself in today. While several developed countries amassed capital from ownership of their colonies, Asian countries succeeded in accumulating capital at high rates in a relatively short period through reliance on internal processes of accumulation — although one should not lose sight of the massive and generous Western assistance and privileged access to European and American markets that have laid the foundation for this success.

Fourth, there is striking difference in factor endowments between the two regions. Sub-Saharan Africa is among the least-densely populated regions and has 5.5 hectares per worker, while Asia has only 1.0 hectare per agricultural worker. Parts of Africa are rich in mineral resources: copper, diamonds, gold, oil and gas, while countries such as Japan, South Korea and Taiwan have limited exportable minerals. Human resource endowments are also different in every case.

As Africa's development issues and constraints have been discussed in various fora, Table 1 juxtaposes these constraints against Asian development successes.

Table 1: African Constraints and Asian Successes

AFRICA	ASIA
Development issues/constraints/challenges	Development experience/successes
Macroeconomic environment ▼ low economic growth ▼ savings mobilisation ▼ developing productive capacity and efficient utilisation existing capacity ▼ domestic price stability ▼ exchange rate management ▼ "crisis management"	**Sustained macroeconomic stability** ▼ high economic growth rate ▼ high rates of investment ▼ low level of indebtedness- medium to long term development perspective
Human resources development ▼ low investment in human capital ▼ low primary gross enrolment ▼ management training- population policy	**Investment in human capital** ▼ high literacy rates ▼ extensive training in science and engineering
Private sector development ▼ developing an indigenous entrepreneurial class ▼ creating an environment for foreign direct investment	**Strong private sector** ▼ fiscal and monetary incentives ▼ heavy inflow of foreign direct investment
Industrialisation ▼ expanding industrial base ▼ moving to export of products ▼ more efficient import substitution ▼ export diversification	**Export led industrialisation** ▼ efficient import substitution ▼ export of products ▼ easy access to European and North American markets
Agriculture and rural development ▼ low agricultural productivity ▼ severe drought and desertification control ▼ mono-crop agriculture	**Agricultural productivity** ▼ investment in research, extension, infrastructure ▼ rewarding producers through sound exchange rate management and domestic pricing
Role of government ▼ improved governance and rule of law ▼ competition between government and private sector	**Role of government** ▼ political stability and rule of law ▼ government is a facilitator of private sector investment ▼ symbiotic relation of private sector with government

Table 1 is a graphic illustration of the importance of exchange of experience as a modality of development cooperation. The Asian development model can hardly be branded "geographically specific" or "culturally determined." It should rather be seen as a source of inspiration and a reservoir of experience that needs to be tapped. Exchange of experience and know-how can be realized through organizing seminars, workshops, study tours, professional exchange programs and twinning arrangements, some of which are discussed below.

Twinning arrangements

Africa's experience in twinning arrangements with other regions has been modest. As the Special Unit for TCDC (SU/TCDC) reports show, while some of the problems faced were finance related, others had to do with the lack of commitment and seriousness on the part of participating institutions. TICAD and subsequent Africa/Asia seminars offer new opportunities for reactivation and launching new twinning arrangement initiatives at the regional/subregional and national levels. Sustainable twinning arrangements require:

- That the parties involved have strong mutual interest;
- That capacities of the twinning institutions be complementary.

A series of far reaching initiatives taken to promote intra-African cooperation have led to the creation of several regional and subregional institutions designed to facilitate trade and development cooperation, provide for the joint exploitation of natural resources, and to combat natural calamities, among others.

The treaty to establish the African Economic Community (AEC) signed in May 1991 at Abuja, Nigeria by Heads of State and Governments of the Organization of African Unity represents a renewed effort at revamping cooperation and integration. The AEC is to be anchored upon existing subregional organizations: the Economic Community of West African States (ECOWAS), the Common Market for Eastern and Southern African States (COMESA) formerly PTA, Southern Africa Development Cooperation Council (SADCC), the Economic Community of Central African States (CEEAU), the Economic Community of the Great Lakes Countries and the Maghreb Union. However, given the experiences of economic integration both in Africa and other regions — some bitter, as for example in the East African community— the process of establishing durable and sustainable development cooperation is clearly a daunting task.

Various studies suggest that progress in intra-Africa cooperation and integration was hampered by a host of institutional and policy factors: the macroeconomic environment; exchange rate mechanisms; trade; fiscal and monetary policies; lack of common understanding of global developments; differing competitive advantages and challenges; uncertainties regarding the gains to be derived from regional cooperation; limited infrastructure to facilitate trade and exchange; the limited role played by the private sector.

The 1980s also witnessed the establishment of several intergovernmental organizations designed to address natural disasters or to undertake development on a regional basis. The Inter-

Table 2: Intra-regional Cooperative Efforts

AFRICA	ASIA
River basin development ▼ Niger Basin Authority ▼ Kagera Basin Organisation ▼ Nile River Basin Development	**River basin development** ▼ Mekong Committee
Drought and desertification control ▼ Inter-Governmental Authority on Drought and Development (IGADD) ▼ Permanent Interstate Committee for Drought Control in the Sahel ▼ Southern Africa Development Community (SADC)	
Subregional Economic Cooperation ▼ Preferential Trade Area for Southern and Eastern Africa (PTA) ▼ Economic Community of West African States (ECOWAS) ▼ Economic Community of the Great Lakes (CEPGL) ▼ Economic Community of Central African States (CEEAU)	**Regional groups** ▼ Association of South-East Asian Nations (ASEAN) ▼ South Asian Association for Regional Cooperation (SAARC)

Governmental Authority on Drought and Development (IGADD) was established in the aftermath of the severe 1984 drought that wrought havoc on countries in eastern Africa. Based in Djibouti, members of IGADD are: Kenya, Ethiopia, Somalia, the Sudan and Uganda. In the Sahel countries, the Permanent Interstate Committee for Drought Control in the Sahel was created with Burkina Faso, Senegal, Mali, Niger, Chad and Mauritania as members. In the area of joint management of natural resources, the Kagera Basin Organization, the Niger Basin Authority and recently the Nile River Conference have been established.

The Asian experience in regional cooperation has not been as extensive as that of Africa. There are basically two regional groups: the Association of South-East Asian Nations (ASEAN) and the South Asian Association for Regional Cooperation (SAARC). Nevertheless, twinning arrangements can be initiated between African and Asian regional institutions in areas of river basin development, equitable sharing of river water resources, combating drought and desertification and other regional cooperation endeavours. These twinning arrangements would involve exchanges of experience in areas of legislation, institutional development, and management of natural resources. Specifically they could take the form of the exchange of professionals, joint studies of projects and the evolution of common positions for international negotiations. A list of African institutions and possible counterparts on the Asian side is provided in Table 2. *(see previous page)*

At the national level, twinning arrangements between African and Asian universities, research organizations and training institutions involving private and public sectors can be initiated. The possibility of developing common curricula and, in particular, the inclusion of a course in African universities on the Asian development experience could be worth exploring.

Twinning can also be made operational through an exchange of professors and students, and through joint curriculum development, enabling students to pursue certain programmes in the twinned university setting. For example, funding arrangements could be made for African graduate students to write their theses in Asian countries after completing their course work in Africa, and Asian students could do the reverse. The success of any twinning arrangement requires commitment from both sides and adequate budgetary provisions. One possible solution might be to make twinning arrangements part of financial and technical cooperation arrangements.

Financial and technical cooperation

This modality of cooperation involves the transfer of technology and know-how from Asia to Africa or within each region through the provision of advisory services, training and equipment. Seminars, study tours, skill transfer workshops, sensitization and orientation programmes, trade fairs and training and information exchanges are all important elements of such programs. In addition, handbooks, manuals, programming exercises, public information campaigns and networking are reported to have been used extensively.

Data on such activities between Asia and Africa is limited, and attempts made to contact Asian missions based in New York regarding such data has not yet borne fruit. The only source of information at UNDP is SU/TCDC.

SU/TCDC utilizes current data, based on submission of governments and TCDC focal points; however it is incomplete and does not show the direction of flow of TCDC by country or region.

Table 3 *(below)* is the best of the data available through SU-TCDC as of May 1994. The Unit's officials note that although much of the TCDC effort in Asia was intra-regional, there had been several activities involving Africa.

Table 3. Transfer of technology and know-how of selected Asian developing countries (1992/93)

Country	Experts		Trainees		Equipment		Technical & scientific workshops
	sent	received	sent	received	sent	received	
China	25			133	$180,000		42
Republic of Korea	39	250	465	570		$2.9mn	
Pakistan	5	65	30	16		$5,000	
Singapore							14
Thailand			1,300	275	$5mn		

Source: UNDP, SU/TCDC and Government Reports

Financed by SU/TCDC, economic and technical cooperation activities included organizing skill transfer workshops and training programmes, mainly in China and India in such areas as: mini hydropower, solar energy, rice research, drought management and food security. In Singapore, reports show that bilateral consultations were held with 17 developing countries. Fourteen management training programmes were offered in 200 places in 1992-1993 in which several African countries participated. Study tours were also organized. In South Korea, a workshop in the electronic industry was convened, and several agreements subsequently signed. South Korea also was reported to have participated in 57 joint investment studies with other developing countries.

As for China, an earlier SU/TCDC report shows that many countries in Africa were beneficiaries of expert services in such areas as agriculture, fish farming, acupuncture, biogas, hydrofoil operations and agricultural machinery. Related workshops attracted hundreds of trainees. The Philippines is reported to have concluded agreements in areas of food and agriculture, coconut production, and cooperatives development that involved technology exchange, provision of consultants, training programmes and study tours.

Major constraints to expanding and deepening the cooperation between African and Asian developing countries, were reported to be the lack of financing and of timely information on available capacity. In fact, several countries participating in TCDC project activities had to mount needs assessment missions to determine the nature and magnitude of cooperation. For example, during 1992-1993, the Philippines conducted nine needs assessment missions and Thailand conducted five.

Triangular arrangements: Africa — developing Asia — Japan

The term "triangular arrangements" refers to a situation whereby projects and programmes initiated by two or more countries are financed by a third party. In this case it is Japan, in the TICAD framework, that is expected to finance the transfer of technology and know-how from an Asian developing country to an African country. A multilateral agency such as UNDP, or any country with the capacity to do so, can also play the role of a third party. Similarly, triangular cooperation could be initiated between two African countries (for example, Egypt and Kenya), and supported by a bilateral or a multilateral agency.

The experience in triangular arrangements is very limited. SU/TCDC reports indicate that several countries in Latin America (e.g., Chile) have initiated projects under this modality, with Luxembourg providing the financial resources. The overall results have been encouraging. As reported by the SU/TCDC, two important lessons learned from the limited experience with the triangular cooperation modality are that: for such arrangements to succeed requires mutual understanding and trust among participants, often achieved only after protracted negotiation, and; the financing provided by the third party has to be completely untied — projects or programmes should be initiated and formulated by the participating countries.

The triangular cooperation modality between Asia and Africa has tremendous potential. For the third party (e.g., Japan), such an arrangement helps to relieve the strain that technical assistance poses for the limited foreign language-speaking, skilled personnel; it also broadens the pool of highly skilled personnel for technical assistance, and facilitates contact between Asian developing countries and Africa.

Trade and investment

Differences in natural resource endowments and stages of industrialization between many countries in Africa and Asia, make trade and investment important modalities of cooperation. This would include promoting trade (exports and imports) between the two regions and encouraging Asian investment in Africa.

In recent years the volume of trade between Africa and Asia has increased substantially. Detailed discussion of trade opportunities between the two regions is beyond the scope of the paper; however, listed below are a few of the salient features of trade between the two regions.

The current volume of trade between Asia and Africa is dominated by Japan. Japan's trade with Africa, however, has remained unchanged over the past 10 years with Japan having a surplus of about US $3 billion per annum. Beyond Japan, of the ten countries cited, eight enjoy substantial trade surpluses in their trade with Africa.

Over the past few years, exports from Hong Kong, Singapore and Thailand to Africa registered exponential growth, reflecting the restructuring of Africa's position toward importing Asian goods and services. Notable efforts are currently being made in the above-mentioned, and in other East and South-East Asian countries, to further expand trade and possibly capture the emerging market in Africa, however with no matching efforts on the African side.

Strong similarities exist between African countries such as Cameroon, Côte d'Ivoire, Ethiopia, Ghana, Kenya, Nigeria, Tanzania and Uganda, as well as the South-East Asian countries, Indonesia, Malaysia, Philippines and Thailand, falling as they all do into the same ecological zone. All are cultivating export crops such as coffee, tea, cocoa, rice, cassava, palm oil, rubber, spices and tropical hardwoods. This has resulted in an excessive competition for markets, at times leading to large price collapses. Improved relations would enable the two regions to establish bargaining power in international commodities markets through creation of joint markets, the exchange of research information and coordination in marketing.

Another lesson learned from the Asian experience is the vital role that foreign investment has played in creating production capacity, introducing technology and developing management skills and in improving access to overseas markets.

Flows of foreign direct investment are influenced by several factors, the most important of which are:

- the availability of natural resources;
- the size of the market;
- relative differences in the costs of production.

Although many African countries are potentially attractive in the light of these factors, flows of foreign direct investment to Africa was $ 2.2 billion in 1990, slightly less than what Thailand received in that year (*World Investment Report*, 1992). The data further shows that the volume of foreign direct investment that non-oil producing countries were able to attract in 1990 was only one-fourth of the flow to Thailand. Even in this case, most of the foreign direct investment to Africa seems to concentrate in the natural resource sectors while, for example, 63 per cent of foreign direct investment flows to China went into manufacturing.

Data on current Asian investment in Africa is not readily available. However, the table below shows the relative importance of Japanese investment in Africa. Today, capital investment outflows from Asia are reported at $8 billion, growing by 75% during 1986-1990 (*World Investment Report*, 1992). In fact, for the Republic of Korea and Taiwan, outflows have exceeded inflows. China's investment outflow has been estimated at $830 million in 1990. Nonetheless, most of the investment from Asian newly-industrialized countries seems to concentrate in North American and European markets (64% of Taiwan's overseas investment, for example). This investment is primarily market seeking - driven by the need to secure market access and maintain a visible presence in main export markets as protectionism hardens (see *World Investment Report*, 1992 for detailed discussions).

Recent investment patterns for export manufacturing in South-East Asia are dramatically changing. Wells (1994, in Lindauer and Roemer) argues that Taiwan, Hong Kong and the Republic of Korea have emerged as primary sources of investment in export of manufactured goods. Wells further argues that, "South Korean firms have recently gone to Costa Rica and are showing increasing interest in Colombia and Mexico. Taiwanese firms have already located plants in Africa, although primarily for the export market. And Hong Kong firms flocked to Mauritius to gain textile quotas."

The available evidence, however limited it may be, suggests that Africa can attract Asian funds, providing that an enabling environment is created, bureaucratic obstacles are removed and aggressive efforts are made to promote investment through Asia-Africa networks and other channels.

Synergy through Africa - Asia networks

Networking of institutions can be an important modality of development cooperation between Africa and Asia. Given the significance of the exchange of experiences and know-how, networks can serve as important follow-up mechanisms and vital tools for facilitating collaborative activity in various fields. Networks are also useful for operationalizing interests generated in seminars and symposia in a cost-effective way. Developments in communications, technology and computerization have substantially increased the role played by networks. Indeed, Asia-Africa Networks ought to be seen as the acme of cooperation between the two regions. Networks are not designed to provide advisory services nor to make suggestions to either side on particular policies to be pursued and development paths to be followed. Rather, their primary function is to provide information and to suggest available capacities and existing possibilities. As the political and policy context within which government operates differs, it is the responsibility of each country to decide on how to use the information made available.

> Developments in communications, technology and computerization have substantially increased the role played by networks

Networking of institutions is a widely-used mechanism for the exchange of information and know-how throughout the world, but results have been mixed. Networks initiated and financed by users have generally been successful while others fared less well. An example of a highly-successful network is the South Investment Trade and Technology Data Exchange Centre (SITTDEC) located in Kuala Lumpur, Malaysia. Initiated, created and owned by what is known as the Group of 15 (comprising Algeria, Argentina, Brazil, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela, Yugoslavia, and Zimbabwe), SITTDEC's purpose is to collect and promote the exchange of relevant information on investment, trade and technology opportunities available in developing countries and to provide such services to countries requesting them. Reports show that SITTDEC's performance has been encouraging.

Another example of a successful global network is the International Centre for Economic Growth (ICEG) located in San Francisco. ICEG's mission is to develop the capacity of local policy research institutions for policy analysis, and to

influence the policy decisions in their respective countries. The Centre has a network of 331 corresponding institutions.

A good example of a more narrowly focused network is AFRISTAT. With the initiative of the Conference of Finance Ministers for the Zone Franc, the AFRISTAT Foundation has been created by the African States of the Zone Franc under the auspices of France. The functions of AFRISTAT are to provide advisory services for the national statistical organizations, to support their policies and to harmonize definitions, concepts and norms.

While the advantages of networking through institutions are clear, there is a high risk that networking at the level of regional institutions might marginalize contacts and networking at the national and individual levels. Indeed, networking would be likely to be long lasting if built on personal contacts between Africans and Asians through:

- informal contacts organizing meetings and enabling Africans to participate in intra-Asia workshops, and
- Asians in intra-Africa seminars, regular Africa and Asia seminars/trade fairs.

Main features of Africa - Asia networks

To generate continuous interest among participants and ensure sustainability, it is beneficial when the networks have the following features:

First, participants of the network need to be individuals and institutions from governments, the private sector and academia. Such an arrangement would allow closer interaction between the private and public sectors. As governments in Africa change frequently and institutions become weaker, broadening the participation and favouring the private sector would provide continuity to the network.

Second, the network should take advantage of the latest developments in communications technology, particularly the Internet and satellite technology. Experience shows that the investment costs of moving onto the Internet are negligible, but exchange of information can be increased exponentially as a result.

Third, activities of the network need to be seen as supplementary activities to already functioning and credible regional institutions. No attempts should be made to create new organizations because of the networking. At the national level, participating institutions should be designated in each country. It would be helpful if national participants from government are highly influential and well placed in the government's hierarchy. A focal institution then has to be designated from the participants at the subregional level.

Fourth, face to face interaction needs to be an important element of the network. It is advisable for each network to organize meetings on a regular basis, if the financial resource situation permits.

Lastly, as development is multidimensional, there is a need for interaction and a flow of information among the various networks.

Given the broad range of areas of interest in the exchange of experiences, several networks could be established. To initiate discussions and follow-up activities, four areas can be considered.

Macroeconomic networks. There are several lessons to be learned from the Asian development experience that are relevant to Africa in areas of macroeconomic management, among others. In this regard, this network will have three purposes:

- Making existing knowledge available to participants and providing a forum for interaction;
- Facilitating the exchange of information and sharing of experiences, and assisting in the organizing of seminars, workshops and study tours;
- Assisting in the harmonization of macroeconomic policies.

The Asia-Africa Macroeconomic Network (AFASMN) will, therefore, be a amalgam of networks that would link the Africa-based macroeconomic networks (one for East and Southern Africa and the other for West and Central Africa) with the Korea Development Institute (KDI) - based Asian Macroeconomic Network. AFASMN can link itself with global networks, particularly with the International Centre for Economic Growth based in San Francisco.

Human resources development network. Human resources development is one area where there could be more wide ranging cooperation and networking between Africa and Asia. This would involve training centres, research institutions and universities. This kind of networking can be considered at two levels:

- At the level of training institutions in the fields of management and related areas; At the level of institutions of higher learning.
- In management training sub-networks there are considerable opportunities for short term training of Africans in Asian countries. A good example, mentioned earlier, is the series of management training programmes offered in Singapore to Africans and to others from developing countries. As in the Macroeconomic Network there is a need for two focal institutions: one for Eastern and Southern Africa and the other for West and Central Africa. The primary functions of these focal institutions would be to provide information on available opportunities, training institutions and facilitate exchanges of information. The Asian Instituie of Management (AIM) located in Manila, would be a natural counterpart, for example, to the Eastern and Southern Africa Management Institute (ESAMI) located in Arusha.

In the second regard, above, experience in inter-university networking is limited despite a number of initiatives launched over the past several years. For example, with the support of UNDP SU/TCDC, an Inter-University Network was established in 1993 in Addis Ababa, Ethiopia. With the City University of New York (CUNY) as a participant, the network focuses on research in

areas of utilization of human resources, mechanisms for conflict resolution, democratization, environment and development. It also attempts to interact with universities in Africa, Asia and Latin America. As no progress reports are available at the time of writing this report, it is difficult to show the extent of its successes or shortcomings.

Trade and investment (Private Sector Development) network. To facilitate and expand trade between the two regions and encourage Asian entrepreneurs to invest in Africa, another network to be established is the Trade and Investment Network. This Network aims at linking the private sector within Africa and then linking it with that of Asia, mainly through regional and national Chambers of Commerce.

Research network (RESNET). The main thrust of a research network would be to facilitate exchange of information in areas of scientific research and technological developments. Today, technology has grown more complicated, operating against a backdrop of limited capacity for the identification, selection, disassembling and absorption of technology in Africa. Networking with science and technology institutions in Asia would help to build the science and technology database and assist in building capacity, among other things, for appraising the implications of emerging technologies for the continent.

Existing networks in Africa in areas of research and technology include: the African Network of Science and Technology Institutes (ANSTI), the African Centre for Technology Studies (ACTS), the Council for the Development of Economic and Social Research in Africa (CODESRIA), the African Regional Centre for Technology (ARCT) and the Research and Development Forum for Science-Led Development in Africa (RANDFORUM). An Africa-Asia Research Network will also help in linking these African institutions, coordinating activities and avoiding duplication of research.

Conclusion

Development cooperation between Africa and Asia portends tremendous opportunities as well as challenges. It is an opportunity because there is potential in areas of transfer of technology, know-how and trade and investment that could be harnessed to the advantage of Africa. Asian countries, in turn, have the opportunity to know Africa, to understand its potentials, and to expand markets and investment. Establishing robust and sustainable development cooperation between the two regions requires new attitudes, approaches and understanding. There is a need for aggressive moves on all fronts: political, diplomatic, economic; and for trade by all participants.

To ensure that the cooperation remains durable, mutually-beneficial and long lasting, technical and financial cooperation with Japan and other Asian countries (capable of providing this) should support South-South and triangular cooperation. At the same time, the cooperation needs to be based on mutual respect, flexibility, predictability, and to entertain programmes identified, initiated, formulated, and implemented by African countries themselves. Bilateral cooperation of the 1990s must avoid the pitfalls experienced during the post-independence period. Triangular and twinning arrangements offer new mechanisms that would enhance cooperation between the two regions. Bilateral and multilateral agencies should be called upon to support such arrangements as well as to facilitate the establishment of networks. ◆

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Women's Organizations and Economic Reform: From the Grassroots to International Cooperation

As part of its ongoing commitment to contribute to United Nations international conferences, the Special Unit for TCDC (SU/TCDC) sponsored a report examining the impact of structural adjustment programmes on grassroots women and some of the responses mounted by local community development organizations. The report was disseminated at the Fourth World Conference on Women, held in Beijing in September of 1995. Joan Archer, Regional Officer for Africa with the Special Unit, discusses the report's major findings.

The Special Unit for Technical Cooperation among Developing Countries (SU/TCDC) has commissioned a special report, "Restructuring Economic and Social Policy: Cross-cultural Gender Insights from the Grassroots," the release of which was timed to coincide with the Fourth World Conference on Women held in Beijing from 4 to 15 September 1995. The report examines three case studies which reflect various experiences of grassroots women-led organizations from different regions of the South, in countries which have undergone some form of structural adjustment or major economic reform.

The lessons from the case studies were the result of several TCDC exchanges among the leadership of grassroots organizations across the South, co-sponsored by SU/TCDC and the Women's International Grassroots Network (GROOTS International), over a 4-year period, in countries such as India, Ghana, Costa Rica and recently in Ukraine, as part of the preparation of the grassroots organizations for the Fourth World Conference on Women. The exchanges enabled horizontal linkages and a cross-cultural fertilization of ideas that brought a rich interchange of South-South experiences among these organizations on a broad spectrum of issues central to the improvement of women's lives and their communities. The lessons emerging from the South form the basis of the case studies which focus on the grassroots organizations' practical and strategic responses to economic reform processes. They provide valuable insights from the "bottom-up" which can contribute to the refinement of policies seeking to obviate the adverse social impact of structural adjustment programmes on women who, by virtue of their multiple roles in society, are serving several institutions — the family, community and the economy — performing work which goes largely unpaid and unrecognized.

Structural adjustment and women

Across the South, economies undergoing reform are generally characterized by a reduction in government services; dimished investment in the social sectors — health and education — affecting the productivity of the family unit; and by emphasis on expanding export sectors of the economy. It is now widely recognized that women bear the brunt of the burden from adjustment measures which tend to undercut their traditional roles in subsistence agriculture and petty commodity production, and worsen the conditions under which they must perform ever longer hours of unpaid work in household and communities. The loss of government services in the social sectors and the decline in family income are highly correlated to the intensification of women's work, as women end up devoting more time in providing these lost services in the course of their family and community responsibilities.

Substantial research on gender has confirmed that the role of women's work, paid and unpaid, is critical to national wealth, social stability and the reproduction of a labour force through their performance in market and non-market institutions: i.e. in production, household reproduction and community management. Despite regional and cultural differences among countries of the South, women everywhere are significant wage earners in the informal sectors. Apart from their household and reproductive roles, as community managers women's efforts include ensuring collective consumption of water and wood, forest maintenance, communal gardening, community nutrition programmes and public schools and health clinics. As they perform these multiple roles, women move across several institutions, supplying labour to, and brokering resources from, subsistence production for the market economy.

BY JOAN ARCHER

Both market and non-market institutions are imbued with gendered divisions of labour. In the marketplace there is occupational and sex segregation. In the household, segregation includes age and gender hierarchies, often patriarchal in nature. These institutions inequitably mediate women's access to material resources; a situation further aggravated by other social and political institutions that produce gender differentiated and often inequitable access to land, credit, personal and household property and income. Since structural adjustment and economic reform programmes focus exclusively on market-based transactions, the relative positions of men and women in the economy are not taken into account.

The effects of gender blindness resulting from conventional economic reform policy produces unintended results holding negative consequences for women. At the macro-level, failure to account for the different positions of men and women leads to policy implementation that is unable to anticipate the pronounced gender-differentiated effects that economic reform has on their relative employment, unemployment, income, consumption and savings levels. At the micro-level, this problem manifests itself in the differences in men and women's relative responses to market indications.

This point was very well brought out in the example provided on Zambia in the report. In northern Zambia, women did not increase their production of hybrid corn as much as was anticipated under price liberalization. Instead, they continued the production of the apparently less profitable and more labour-intensive groundnuts, or peanuts. Planners assumed that price increases in corn relative to peanuts would cause the women to shift crops. The women however failed to convert from peanut to corn production. Women took factors other than price into account by calculating their comparative advantage. Groundnuts possess a food value in the Zambian diet (for infants in particular) which corn does not. In addition, in the marketplace, cash from corn sales is entirely controlled by men while the proceeds from the production of groundnuts are controlled by women. Zambian women's rational behavior in this instance ran counter to the logic of macro-economic theory, reflecting a more localized consideration of the multiple factors which determine women's overall material well-being.

The role of grassroots women's organizations

The experiences from the case studies of women-led grassroots organizations operating in Africa, Asia and Latin America provide similar examples of the types of rational responses emerging from the micro-levels. Locally-initiated development programmes take into account women's multiple social roles, providing a more holistic approach to macro-level policy formulation and more sustainable implementation strategies. At the country levels, women, family units and organizations that support them, come together and organize to form large movements united in a common goal to support each other in tackling problems associated with structural poverty and women's empowerment. Through horizontal and vertical exchanges at the national and regional levels, and at the interregional levels, their leadership has been able to exchange information on communities' responses to the onslaught of economic hardships caused by adjustment policies, and to carefully evaluate successes that are replicable. Consistently, common themes include: the need to consider the multifaceted issues of poverty; the multiple roles women perform and comprehensive and integrated responses to, and involvement of women in, the political process.

The three Southern grassroots organizations featured in the case studies are:

- The Organization of Rural Associations for Progress in Zimbabwe (ORAP);
- The Working Women's Forum in India (WWF);
- The Alianza de Mujeres Costarricenses in Costa Rica (AMCR).

These three movements, organized differently around gender issues, with sectorally and geographically diverse members, are examples of community-

Women, with multiple roles in society, serve family, community and the economy.

led organizations in the South that have employed unique approaches to problem-solving. They share common visions and structures for long-term social development and focus on comprehensive development strategies. Each organization is large, by national standards, and is devoted to using participatory and self-help measures to ensure that grassroots women own and direct the organization through management and funding strategies that are sufficiently flexible and adaptive to local requirements.

The case of Zimbabwe

In 1990, Zimbabwe introduced a structural adjustment programme in what was considered a relatively favorable economic climate in terms of other African countries undergoing the same process. Shortly thereafter, the drought of 1991-1992 interrupted its implementation. Although this was a short period of formal economic restructuring from which to gather adequate data on the effects of reform and its gendered impacts, Zimbabwe's application since 1988 of several macro-economic instruments consistent with structural adjustment provides a basis for examining the impact of reform.

> **Locally-initiated development programmes take into account women's multiple social roles, providing a more holistic approach to macro-level policy formulation, and more sustainable implementation strategies.**

The Organization of Rural Associations for Progress (ORAP) is considered to be the largest non-governmental organization in Africa, with membership in excess of one million, linked in a peoples' participatory development movement through integrated structures connecting households to villages, to towns, to regions and across regions. It has a broad mission: to eradicate poverty in all its forms. Its focus is on food security - producing and moving food surpluses to villages in drought-prone areas, thus obviating the need for external food aid. Within this self-help organizing movement, women occupy leadership positions, since the basic unit of ORAP's membership is the household. This approach establishes an internal dialogue about development, which in turn helps lay the foundation for the family, serving "as the first institution through which women can surface and develop inner qualities and skills."

The villages and communal rural areas that comprise the ORAP movement have experienced decades of devastating poverty and marginalization. Economic reform and adjustment programmes introduced external factors that eroded local culture and productive capacity, including provoking the loss of mutual support relationships between the urban and rural areas. These factors in turn caused a reduction in remittances from cities to villages owing to changes in urban employment and earnings, and a decline in the level of government investment and in government's capacity to influence multinational negotiations.

ORAPs strategic approaches in response to these adverse trends include: intensifying exchange relationships within and across units; opting for investment projects that have the greatest likelihood of becoming self-generating; being steadfast in its resolve to control its own capital, labour and product markets; and seeking partnerships that respect the need to promote a basic level of food and income security. ORAP has mobilized community savings, developed credit schemes and community loan funds linked to productive activities at the village level and has recognized the need to create a self-sustaining capital fund. ORAP is attempting, within its own structure, to generate larger markets as a means of improving the living conditions of its growing membership.

ORAP's responses to structural adjustment emphasize the need for functioning, comprehensive partnerships with international financial agencies, donors, national governments and grassroots non-governmental organizations, to jointly plan alternative development programmes with longer-term commitment to achieving objectives. Mutual respect and sensitivity in partnerships, based on objectives of attaining a collective vision from which action is planned, are important elements in working relationships. In other words, it is a participatory policy-making process, devoted to long-term, gender-equitable sustainable human development as opposed to top-down and more fragmented approaches.

The case of India

In India, as in Zimbabwe, structural adjustment is relatively new. Structural adjustment was introduced in India in the 1990s. Aspects of the programme bearing directly on the poor include removal of food and grain subsidies and export promotion. It is known that when economic conditions worsen in India's informal sector, women are disproportionately affected. The impact of reform measures in the informal sector is greater on women as a whole, since 89 per cent of all working women in India are engaged in informal sector activities. Although opportunities for "flexible" employment under adjustment seem to have made some gains for women, overall there have been problems in ensuring sustainability.

The Working Women's Forum (WWF) is a women's organization with leadership coming from the poor themselves.

Founded in the slums of Madras in 1978, WWF is focused on providing credit to expand women's economic activity, and on building an organizational structure that can provide a broad-based platform for initiating social action on the many issues confronting women in society. In the 17 years since it was founded, WWF has built a membership of approximately 280,000 urban and rural poor women from three neighboring southern Indian states. By 1992, its credit and loan arm, the Working Women's Cooperative Society (WWCS), had loaned the equivalent of more than US$2 million through 180,000 loans having a default rate of less than 1 per cent of total disbursements. In the process, poor women have been able to use the small loan programme to create their own alternative businesses and financial institutions, avoid usury and circumvent the anti-poor biases of the commercial banking system.

The short-term effects of economic reform measures have created intense pressures in the informal sector where women are most vulnerable. Shifts of capital and labor to the export promotion sector and other competing forces have led to the erosion of some WWF gains through loss of jobs, lower wages and increased cost of investment. For example, hand loom weavers in the cotton industry in one region have been laid off owing to shortages of raw materials and have thus had to turn to hawking and vending to earn a living. In contrast, lace makers in Narsapur have reported increases in wages, since they produce handicrafts for export trade monopolies.

WWF responses to these adverse effects on its membership have been to expand credit and to increase the size of loans to offset inflationary pressures. Through its social and political platform activities, WWF has urged national and international bodies to adopt social security measures to protect poor women and children from the conditions of health-related illnesses, malnutrition and child labor that often accompany economic reform. As part of its longer-term response, WWF trains poor women to function as local planners and as leaders to assume decision-making positions in the community and thus be able to effect changes in policies. In applying these multiple responses, WWF hopes to make a mark in transforming institutions that dominate women's lives.

Through collective action, women, in particular poor women, have been able to share their concerns on all issues of their poverty and disempowerment and design strategic responses that are comprehensive and holistic.

The case of Costa Rica

Costa Rica is implementing its third structural adjustment programme which began in 1993. Regionally, Costa Rica is among the most prosperous countries in Central America. It has foregone a standing army since the civil war in the late 1940s, thereby generating a constant peace dividend.

The Alianza de Mujeres Costarricenses (AMCR) — the Alliance of Costa Rican Women, founded in 1949, is the oldest of the three organizations. It is unique among the case studies as the only national network of autonomous local organizations. Network members are located in sixteen regions in Costa Rica and account for a membership base in excess of twenty-thousand women. Member organizations include women-led squatter movements, housing organizations, self-help domestic violence shelters and sewing cooperatives. Through the Alliance, urban and rural grassroots women's groups are linked in networking and mutual support structures to develop their capacity to become more effective locally and nationally. Leadership training and participatory methods for exchanges support grassroots women in conducting and disseminating their own social analyses and alternative action plans.

The Alliance builds bridges between middle class professionals and grassroots women who form partnerships to enhance the social leadership skills of poor women. The Alliance is particularly innovative in participatory methodologies that enable poor women to interpret their experiences and critically analyze the factors governing their lives. It uses methods that begin with the identification of women's specific problems and encourages grassroots women to exchange information and share experiences. Since many women have been denied the right to go to school, each has the chance to learn from and to teach each others. This "teach and learn, peer-based strategy" is central to the organization's work and frames all organizing efforts. As a comprehensive national network, the Alliance has been active regionally in empowering women, and has played a pivotal role in the Latin American context, particularly as regards the preparation of the Fourth World Conference on Women.

Because of the scope of its outreach, the Alliance operates both at the micro and macro levels. The Alliance is at the forefront in commissioning research and publishing documents on gender issues, such as "Democratization, Development, and Central American Integration: A Women's Perspective", a publication on the Central American family which formulates recommendations for the Fourth World Conference on Women.

Towards cooperation

Through their grassroots organizations, poor women organize and develop plans that reflect their experiences under difficult economic circumstances. Economic reform policies that are top-down, with limited contribution from women's experiences, result in fragmented policies which are disruptive to grassroots women and their urban and rural communities.

From the South-South exchanges intertwined with South-North interactions, which the Women's International Grassroots Network (GROOTS) has facilitated with catalytic funding from TCDC, women have been able to validate their experiences under economic reform policies that fail to fully consider their multiple social and cultural roles. This failure to consider local realities in policy formulation has broader implications for communities as a whole. The lessons emerging from the women's organizations featured in the case studies embody short-term practical responses and long-term strategic approaches that are comprehensive and holistic, reflecting women's economic, social and political needs.

The South-South exchanges of development methods and perspectives have been broadened to include South-North linkages through the involvement of GROOTS International. The experiences of grassroots women's organizations and the validity of their approaches are gaining recognition among several international organizations which have conducted impact studies determining that current economic reform policy formulation hurts women disproportionately. So compelling are the results of the various impact studies carried out by some of the international organizations and donor countries, that to have policy-refinement action await the generation of national statistical data would be costly — a critical loss of time and one disruptive to the productive capacities of women and their communities as a whole.

Lessons learned/Conclusions

Among the main lessons learned is that compensatory measures are steps in the right direction but that they need to be more comprehensive in coverage to take women's multiple roles into account. The strategic responses of the grassroots' organizations provide instructive lessons for refining macro-economic policy which would obviate the adverse consequences of economic reform on women.

Women who are associated with meso-institutions such as grassroots organizations are able to voice their concerns and share experiences in ways that capture their multiple needs to effectively improve their circumstances. Women's organizations with South-South linkages and South-North partnerships provide a good forum for bringing women's issues into the global agenda. Grassroots organizations which have an advocacy platform can mobilize support — political and financial — at all levels: national, regional and international, to effect changes in policy and national budgets.

In general, based on the South-South exchanges among women's grassroots organizations, economic reform programmes have been shown to be gender blind and not gender sensitive vis-à-vis women and, therefore, these programmes tend to hurt women disproportionately in the implementation phases. This is so because women's work, paid and unpaid, is not fully accounted for in economic indices, since such work is concentrated in social institutions, culturally important, but rarely significant to bankers, economists and planners. In the light of this, the study touts the need for the economic reform process to include corresponding comprehensive safety net packages, or to have social policy considerations factored into formulations that are gender-sensitive, so as to obviate their detrimental effects on women. From the case studies it is evident that, through collective action, women, in particular poor women, have been able to share their concerns on all issues of their poverty and disempowerment and to define their needs and design strategic responses that are comprehensive and holistic.

A critical lesson emerging from the cross-cultural experiences facilitated through TCDC support is the importance of women's leadership and active participation in meso-institutions at the community levels. This provides a platform for meaningful engagement of decision-makers in dialogue germane to women's circumstances, thus boding well for women's full integration into the political process and their subsequent empowerment. ◆

Seed of Trust: The Perez-Guerrero Trust Fund for Economic and Technical Cooperation Among Developing Countries

Established in 1983 to provide seed monies for research and implementation of TCDC/ECDC projects, the Perez-Guerrero Trust catalyzes cooperation among the G-77 nations. Eduardo Praselj is Chairman of the Committee of Experts for the Fund.

The Caracas Programme of Action on Economic Cooperation among Developing Countries (ECDC) was adopted in May 1981 at the High-level Meeting of the Group of 77 held at Caraballeda, Venezuela. This Programme was probably the first comprehensive effort undertaken by the member countries of the Group of 77 to establish on a set of concrete cooperative actions to be carried on a time-bound basis and with the necessary institutional arrangements to duly follow-up and coordinate the progress achieved.

The Programme of Action aimed mainly at strengthening cooperation among developing countries at the inter-regional level, since geographic distance, the absence of mechanisms for facilitating trade flows or other exchanges, and lack of or insufficient knowledge and awareness of the needs and potential of countries in other regions had proven almost insurmountable barriers for inter-regional cooperation.

The early years of implementation of the Caracas Programme of Action clearly showed that the Group of 77 needed to be able to mobilize its own financial resources for supporting cooperative actions, if these actions were to be carried out according to the priorities set by the member countries themselves.

An opportunity for setting up a core financing mechanism arose when it was decided to liquidate the United Nations Emergency Operation Trust Fund and to allocate its remaining balance. Following a strong initiative by the Group of 77, a share of these funds was assigned to a Trust Fund for Economic and Technical Cooperation among Developing Countries. The Fund was established by the United Nations in accordance with General Assembly resolution 38/201 of 20 December 1983.

The Trust Fund was named after the late Venezuelan official Manuel Perez-Guerrero, and became the Perez-Guerrero Trust Fund (PGTF) for ECDC/TCDC in 1986.

Manuel Perez-Guerrero's (1911-1985) long and distinguished career spanned for some 50 years, serving both as an international civil servant and as a high-level government official in Venezuela. Perez-Guerrero started his international career in the mid-1930s with the League of Nations and held numerous high-level positions in the United Nations system since the mid-1940s. He served as Secretary-General of UNCTAD in the late 1960s and early 1970s.

In Venezuela, Perez-Guerrero was one of those who laid the foundations for building a modern State. He held four different ministerial posts in a forty-year span, namely Finance, Planning, Mines and Hydrocarbons and International Economic Affairs. Perez-Guerrero played a decisive role in the establishment of the Organization of Petroleum Exporting Countries (OPEC) in 1960 and in the nationalization of the Venezuelan oil industry in 1975. As a representative of his country, Perez-Guerrero was instrumental in many critical North-South negotiations as one of the leaders of the Group of 77. In 1975-77 he was Co-Chair of the Conference on International Economic Co-operation (the so-called North-South dialogue), held in Paris. As Ambassador to the United Nations, he was Chairman of the Group of 77 in New York in 1980-81.

The early years: how the Trust Fund for ECDC became the Perez-Guerrero Trust Fund

Between 1983 and 1986, the main activity of the initial Trust Fund was to provide financial support to the negotiations of the Global System of Trade Preferences among Developing Countries (GSTP) and some US$ 1.8 million was allocated to this end. During these years there were no established guidelines for the utilization of its resources resulting in very limited financing of ECDC/TCDC activities or projects.

In 1986, a High-Level Meeting on ECDC held at Cairo, decided to rename the Trust Fund the Perez-Guerrero Trust Fund, and defined the main features for its operationalization, including the establishment of the objective of the Fund and the criteria for project eligibility, as well as operational arrangements for the submission, appraisal and approval of project proposals.

The Perez-Guerrero Trust Fund is established with a view to supporting activities in ECDC/TCDC that are of critical importance to members of the Group of 77, in order that they might achieve national or collective self-reliance, according to the priorities set by them.

The objective of the Trust Fund is to provide seed money for

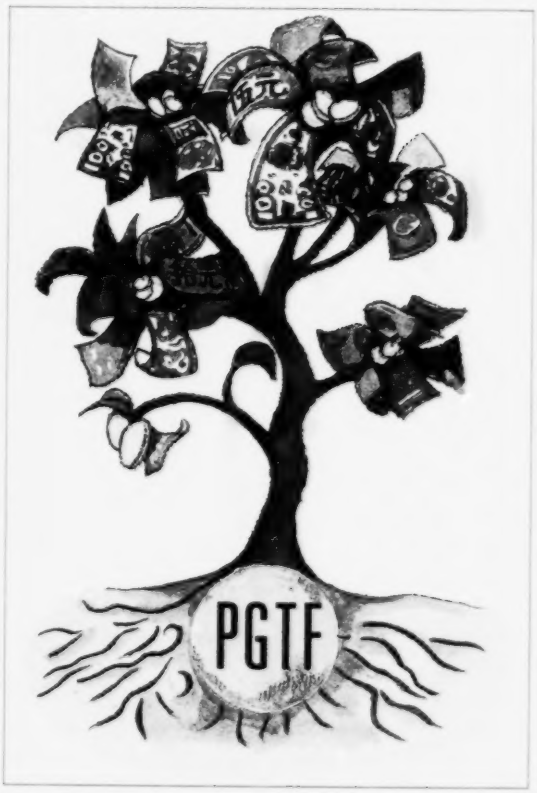
BY EDUARDO PRASELJ

(i) financing pre-investment or feasibility studies or reports prepared by professional consultancy organizations in countries that are members of the Group of 77; and (ii) facilitating the implementation of projects within the framework of the Caracas Programme of Action on ECDC.

A fairly detailed set of guidelines for the utilization of the fund has been prepared, covering project criteria, appraisal and evaluation of project proposals, approving authorities, coordinating agencies and guidelines related to action committees. These guidelines have been revised and updated throughout the years, in the light of the experience gained.

Guidelines related to project criteria include, inter alia, the following:

- Project proposals should address the sectoral priorities of the Caracas Programme of Action;
- Support provided by the Perez-Guerrero Trust Fund is of a catalytic nature and cannot be used for the full implementation of a project. Regular budget activities of organizations or institutions are not eligible for funding;
- Eligible projects should be at least sub-regional with regard to country coverage. National and bilateral projects are thus not eligible;
- In order for nationally-executed projects to be eligible, the cooperative component of the project has to be established through the identification and declared interest of or explicit participation by other developing countries as potential beneficiaries in the activities of the project; dissemination of results to interested countries cannot by itself be considered as a rationale for the cooperative character and hence the eligibility of the project;
- Resources of the Fund cannot be used as a substitute for resources available to the United Nations agencies for undertaking ECDC activities;
- All projects should, to the maximum extent possible, comply with ECDC/TCDC modalities in their execution;
- Eligible projects should not duplicate existing projects in developing countries;
- Project sponsors should secure inputs from other sources of an amount at least equal to the resources requested from the Trust Fund prior to submitting their proposals;
- Before submitting project proposals to the Fund, governmental and non-governmental organizations, sub-regional and regional institutions of developing countries should obtain approval from their respective governing bodies and countries involved in the project.



A Committee of six experts, two from each region of the Group of 77 acting in their personal capacities, was established to examine project proposals and to make recommendations for approval by the relevant authority of the Group (the Intergovernmental Follow-up and Coordination Committee on ECDC (IFCC) or the Annual Ministerial Meeting of the Group of 77, held every year at the beginning of the regular session of the United Nations General Assembly). The Committee of Experts normally meets once a year, however unscheduled meetings may be convened if necessary.

The Committee is assisted in its deliberations by the Office of the Chairman of the Group of 77 in New York, which bears the main responsibility in the implementation and follow-up of approved projects. The Special Unit for TCDC (SU/TCDC) of UNDP provides administrative support to both the Committee of Experts and to the Office of the Chairman.

A uniform project cycle has been established so as to make the process of submission, appraisal and approval of proposals, as well as the implementation of approved projects more effective. The normal deadline for submission of proposals is 31 March of each year. The Committee of Experts meets on the last week of June and prepares a report with its recommendations that is circulated to Governments of the member countries. The Annual Ministerial Meeting of the Group of 77, the approving authority, is held in the last week of September.

In the years when it is convened, the IFCC reviews and approves the report of the Committee of Experts. However, the IFCC no longer holds meetings on a regular basis. The IFCC met annually from 1982 to 1987, but in 1987 the Group of 77 decided to hold the meetings biennially. The following two meetings took place in 1989 and 1993, while the next one is planned for 1996. IFCC meetings are normally held in August-September, but the next meeting is planned for early 1996. In the years when no IFCC meetings are held, the report of the Committee of Experts is considered by the Annual Meeting of the Group of 77 which is entrusted with the preparation of the Annual Ministerial

Meeting. After review by the Annual Meeting, the report is submitted to the Ministerial Meeting for consideration and approval.

The first nine years of operation of the Perez-Guerrero Trust Fund (1986-1995)

The Trust Fund was established with core capital of US$ 5 million. According to the guidelines for its utilization, normally only the interest accruing on the Fund could be used for project support so as to preserve intact the initial US$ 5 million. The core capital plus the unspent resources in any given year constitute the interest-bearing resources (between US$ 6.2 and 6.9 million from 1987 to 1995).

While the average yield from the resources of the Fund was around 9 per cent per annum until 1993, when the low interest rates prevailing in the capital markets in 1993-94 reduced the figure to around 5 per cent per annum. Prospects for 1995 and onwards are more encouraging and the expected yield is in the order of 8 per cent per annum.

Since its operationalization in 1986, the Trust Fund has allocated a total of US$ 4.7 million to provide support to 52 projects, a yearly average of US$ 500,000 and 6 projects.

A breakdown of the areas that have received the largest support from the Trust Fund is as follows:

Area	Share (%)
Food and agriculture	22
Trade (mainly support to GSTP negotiations)	22
Information exchange and dissemination	19
Technology	10
Other (consulting services, training, other TCDC activities, industrialization and finance)	27

Inter-regional projects have received the largest share of funds from the Perez-Guerrero Trust Fund. On the basis of country coverage, the Trust Fund financial support was distributed as follows:

Country coverage	Share (%)
Inter-regional projects	50
Sub-regional projects	30
Regional projects	18
Action committees	2

With regard to the status of their implementation, approved projects can be classified as follows:

Status (as of May 1995)	Number of Projects
Completed	23 (44%)
Under implementation	7 (13%)
Under preparation still to be implemented	12 (23%)
Not implemented and allocated funds reverted to the Fund	6 (12%)
Under query	4 (8%)

Lessons learned

During the early years of its operation, one of the main shortcomings of the Fund was the lack of suitable project proposals and the rather long delays in implementing approved projects.

A combined effort by the Office of the Chairman of the Group of 77 in New York and the Committee of Experts resulted in a significant improvement of the situation, as indicated by the following results:

(i) increased awareness of governments of developing countries and intergovernmental institutions of the attractiveness of the Fund as a source of financial support for ECDC/TCDC;

(ii) better guidance to project sponsors through preparation of a model format and an informative brochure with the guidelines for utilization of the Trust Fund;

(iii) more expeditious follow-up and implementation of approved projects through appropriate operational arrangements between the Office of the Chairman and UNDP as the administering body of the resources of the Fund. The time lag between the approval of projects and signature of project documents or sub-contracts, as well as the beginning of disbursement of funds, has been reduced from more than one year to between three and six months.

One area that still requires improvement is clarification regarding the scope of eligibility of the projects. Since the objective of the Fund is to provide support to ECDC/TCDC projects, projects that are purely national rather than cooperative in nature are not eligible for funding. However, this aspect has not been adequately perceived by the project sponsors, as indicated by the experience of the first ten meetings of the Committee of Experts. A total of 284 proposals have been submitted for consideration by the Committee and almost one half of them (140) corresponded to national projects.

Even though the wording of the guidelines for utilization of the Perez-Guerrero Trust Fund has been revised to clearly indicate that national projects are not eligible, the Office of the Chairman still continues receiving a significant

amount of national project proposals, as shown in the table below:

Year	Number of Proposals	National projects (not eligible)
1987	5	-
1988	7	1
1989	46	21
1990	30	17
1991	51	35
1992	46	21
1993	39	18
1994	35	14
1995	25	13
Total	284	140

This is an indication that some fine-tuning is required regarding the type of institutions that should be approached as prospective project sponsors. In this regard, the largest part of the effort currently made by the Office of the Chairman of the Group of 77 is directed through national governments or focal points for ECDC/TCDC.

Many of the proposals submitted come from national institutions engaged in the preparation and implementation of national projects that do not have any cooperative component. In some cases, the sponsors have argued that the results of the projects would be made available to other developing countries as a rationale for the cooperative component of the projects. Even though dissemination of results might lead to certain benefits, the guidelines for utilization of the Fund clearly state that the cooperative character of a nationally-executed project could only be established if the other countries, as potential beneficiaries, declare their interest or participate in an explicit manner in the project.

It seems to be appropriate to widen the range of institutions to be approached by the Office of the Chairman of the Group of 77 and to devote more efforts towards attracting the interest of sub-regional and regional institutions of developing countries that might be in a better position than purely national institutions to prepare and submit ECDC/TCDC projects eligible for financing from the Fund.

However, the success in making the Fund a better known option for providing financial support to ECDC/TCDC activities might end up in frustration if the Fund is not able to respond in a timely fashion to an increased flow of proposals.

The current core capital of US$ 5 million plus the interest stemming from unspent resources have so far sustained an annual flow of resources of some US$ 500,000 - the maximum contribution that could be given to any individual project being one fifth of the yearly availability or about US$ 100,000. Even though the Fund provides only support of a catalytic nature to cooperative activities and their full implementation falls under the responsibility of the participating countries, the availability of resources remains very modest and may prove to be totally inadequate when compared with the pressing needs of developing countries.

Some early signs of this trend could be detected from the evolution of the amount of funds requested for projects that comply with the guidelines for utilization of the Fund with respect to available resources:

Year	Available resources (US$)	Eligible projects (US$)
1992	900,000	841,000
1993	600,000	532,000
1994	300,000	1,080,000
1995	880,000	356,000

1994 witnessed a combination of a particularly low yield from resources of the Fund derived from the prevailing low interest rates and a large number of eligible proposals. The Committee of Experts identified eight eligible projects, but total funding requests were far beyond available resources. This led the Committee to recommend partial support (about one-half of the requested resources) to six of them, while the remaining two could not be supported.

The perceived limitation in the availability of resources led to the inclusion of additional elements in the criteria for project selection, which resulted in a much lower number of eligible proposals in 1995. In addition, available resources almost tripled reflecting higher interest rates, but this increase was magnified by the fact that US$ 234,000 reverted to the Fund from approved projects which were not implemented within the required deadlines. The situation in 1995 can be described as a technical correction of the high imbalance of 1994.

In spite of the fluctuations experienced from year to year, it seems that the situation should be seen rather as a trend than as isolated events. As a result, the capability and attractiveness of PGTF in supporting ECDC/TCDC activities would be seriously undermined if its resources are not expanded in keeping with the increase in demand.

Expansion of the resources of the Perez-Guerrero Trust Fund

Pursuant to a decision by the eighth meeting of the Intergovernmental Follow-up and Coordination Committee (IFCC-VIII), held at Panama City in 1993, the Committee of Experts identified options for expanding the resources of the Fund and submitted recommendations to this end. The recommendations were adopted in 1994 by the Annual Ministerial Meeting of the Group of 77. Options available fall into one of the following three categories: (a) increase of the core capital of the Fund, (b) increase of the yield of the Fund's portfolio, (c) increase of the multiplier effect of the resources of the Fund.

(a) Increase of the core capital of the Fund:

This option is in essence the enlisting of contributions from potential donors. Since the current guidelines for utilization of the Fund establish that only interest earnings can be used for supporting projects so as to preserve intact the core capital, requests for contributions should be made on the basis of the same concept. Donor institutions should be approached to contribute resources as funds-in-trust to be administered by UNDP under its existing Financial Rules and Regulations.

Potential donors may include interested developing and developed countries as well as intergovernmental and non-governmental institutions and organizations. Among the latter, private foundations may represent a promising source of contributions.

In order to widen the range of interested entities and provide them with an adequate degree of comfort, it is important to state that contributions could be earmarked for certain types of projects or certain activities or project components, such as environmental matters.

(b) Increase of the yield of the Fund's portfolio:

Options in this regard are in practice limited by the fact that the core capital of the Fund and unspent funds are invested by UNDP in accordance with its Financial Rules and Regulations. While regular follow-up of the evolution of interest rates is advisable so as to ensure that funds are invested at the best rates available, a deviation from this rather conservative approach might result in higher returns but at the expense of an increased risk that makes these options unfeasible.

(c) Increase of the multiplier effect of the resources of the Fund:

An immediate option to increase the multiplier effect of the Fund is to request a mandatory minimum contribution from project sponsors. As a result, in 1994 a new element was added to the criteria for project eligibility. It states that all project proposals submitted to the Fund should include inputs from other sources of an amount at least equal to the resources requested from it. These inputs should be secured by the sponsors prior to the submission of the proposal to the Fund.

Another available option is through co-financing of projects with third parties, including governmental, intergovernmental and non-governmental organizations.

This option is yet to be made operational. As a minimum starting point, it will require the identification of entities interested in co-financing projects with PGTF, and a practical mechanism for identifying and selecting projects for co-financing.

One possible arrangement would be to submit, after approval by IFCC or the Annual Ministerial Meeting of the Group of 77, as appropriate, projects which qualify for funding to the prospective co-financing partners with a view to enlisting their support. Even though this mechanism can be devised as a simple and expeditious one, it will in any case introduce a certain rigidity in the implementation process of the approved projects.

While still modest in scope, the Perez-Guerrero Trust Fund has provided catalytic support to 52 cooperative projects and allocated to this end US$47 million.

Conclusion

The Perez-Guerrero Trust Fund has proved to be a viable initiative where ECDC and TCDC activities are funded according to the priorities decided by the Group of 77. While still modest in scope, it has provided catalytic support to 52 cooperative projects and allocated to this end US$ 4.7 million.

Having reached a point where the member countries are sufficiently aware of the potential of the Fund as a source of financial support for cooperative efforts, the Fund needs to expand its resources in order to be able to provide timely and adequate responses to the requirements of the developing countries.

Following an initiative by the Chairman of the Group of 77 in New York, several institutions have been approached with a view to exploring their interest both in making contributions to the core capital of the Fund, and in co-financing projects with the Fund.

Contributions made in the form of funds-in-trust to be administered by UNDP, with the provision that only the interest earnings could be utilized for funding projects, as well as the possibility of earmarking these contributions to certain types of projects or certain areas of activity or projects components, such as environmental matters may increase the interest of potential donors and provide them with an adequate degree of comfort.

These efforts for mobilizing resources deserve the fullest support from all those interested in sharing in the fascinating experience of fostering ECDC and TCDC. This is an endeavor where creative approaches and utilization of modalities more adapted to the specific circumstances of participating countries often prove to render more rewarding and cost-effective results than traditional forms of technical cooperation. ●

Prospects for a United Nations Conference on South-South Cooperation and Development (UNCSCD)

What are the prospects for convening a UN Conference on South-South cooperation? Mourad Ahmia, member of the Permanent Mission of Algeria to the United Nations, considers the issue in light of recent world events. A former spokesman and coordinator for the office of the Chairman of the Group of 77 in New York during Algeria's chairmanship of the Group in 1994, Mr. AHMIA is a member of the core of assistants to the Chairman of the Group of 77 in New York and has been executive editor of the monthly newsletter of the Group of 77 since 1993.

The idea of holding an international conference on South-South cooperation was put forward for the first time by the Chairman of the Group of 77, a post then held by Algeria, during the commemoration activities marking the thirtieth anniversary of the founding of the Group of 77.

At the eighteenth ministerial meeting, held in New York on 30 September 1994, the Ministers for Foreign Affairs of the member States of the Group of 77 issued a final declaration in which they strongly urged the United Nations to convene an international conference on South-South cooperation in 1996. On 19 December 1994, the General Assembly adopted, by consensus, resolution 49/96 entitled "United Nations conference on South-South cooperation", which was sponsored and introduced by Algeria on behalf of the Group of 77, Indonesia on behalf of the Movement of Non-Aligned Countries, China and Japan. Japan, which had already hosted the International Conference on African Development held at Tokyo in October 1993, strongly supported the initiative of the developing countries.

South-South cooperation: the balance sheet

The intergovernmental meeting of experts on South-South cooperation, held in New York 31 July to 4 August 1995 under the Chairmanship of Algeria, provided a consultative mechanism to facilitate the launching of the preparatory process of the conference.

During its deliberations a number of experts from both North and South emphasized the fact that overall progress in South-South cooperation had been modest when judged against the hopes that had been placed in it and its considerable potential. It was generally acknowledged that developing countries would have to adopt a gradualist, flexible and realistic approach which placed emphasis on the execution of sub-regional, regional and inter-regional cooperation projects; taking the financial capacities and the genuine needs of the developing countries fully into account. It has been widely recognized that only a realistic approach and modest objectives,backed by effective follow-up, genuine political will and international financial support, will enable South-South cooperation to attain maturity. Today, the general feeling within the Group of 77, the Movement of Non-Aligned Countries and the Group of 15 is that a limited number of viable projects should be identified to boost and improve the credibility of such cooperation.

For its part, the United Nations system must take action, particularly with a view to developing and exploiting the potential of developing countries, taking advantage of the complementarities that exist among them, and strengthening their indigenous management capacities and their economic and social development.

Despite the renewed political commitment on the part of the developing countries to the strengthening of South-South cooperation, especially within the framework of the Group of 77, the Movement of Non-Aligned Countries and the Group of 15, the current situation in fact reveals a considerable gap between existing potential, the frequently reaffirmed desire to develop this potential, and the limited progress achieved in most of the sectors of cooperation identified as priorities by the developing countries themselves. In my view, there are a number of reasons which explain the weaknesses in the per-

BY MOURAD AHMIA

formance of South-South cooperation. Among the obstacles, three deserve special attention:

- lack of adequate financial resources in the developing countries and limited external financial and technical support;
- absence of a financing facility at the global level for South-South cooperation (the idea of a South Bank has still not been followed up);
- lack of political interest on the part of the donor community in South-South cooperation.

These obstacles were identified previously during the various sessions of the Intergovernmental Committee for Follow-up and Coordination of the Group of 77, the Ministerial Committee for Economic Cooperation among Non-Aligned Countries, the High-level Committee on the Review of Technical Cooperation among Developing Countries of the UNDP and the Standing Committee on Economic Cooperation among Developing Countries of the UNCTAD.

Prospects for an international conference on South-South cooperation

The observations made above reinforce my belief that the United Nations should convene a conference on South-South cooperation and development. The main objective of this conference would be to facilitate the process of cooperation by redirecting activities and harmonizing the development priorities already identified by the developing countries themselves within the framework of the Caracas Programme of action of the Group of 77 and the Action Programme for Economic Cooperation of the Non-Aligned Countries (PACE).

Moreover, the attempt to harmonize the programme of action for economic cooperation among the countries of the Non-Aligned Movement and the Caracas Programme of Action of the Group of 77 deserves to be followed up in order to put an end to duplication and the overlapping of activities. In this regard, further consideration should be given to the idea of entrusting to the Movement of Non-Aligned Countries the task of defining strategies and political orientations in the field of economic and technical cooperation, and entrusting to the Group of 77 the responsibility for implementation and follow-up. It should be pointed out that the Perez Guerrero Trust Fund is available to the Group of 77 as a backstopping mechanism for ECDC/TCDC activities. This fund, which is jointly administered by UNDP and the office of the Chairman of the Group of 77 in New York, should be further supported and its resources increased to enable it to better respond to the new development needs of the countries of the South.

Moreover, the role of the United Nations system in this exercise as a whole could take the form of support for specific initiatives accompanied by precise implementation deadlines. Proposals for meetings between the different technical cooperation and international cooperation agencies and between private sector representatives and the national focal points for ECDC/TCDC in both South and North should be encouraged. This type of meeting is likely to further strengthen relations and avoid overlapping, duplication and the proliferation of the "non-profit" regional and inter-regional cooperation institutions. Regional and sub-regional economic integration among developing countries should be encouraged within the framework of regional and sub-regional groupings focusing on economic integration and triangular cooperation agreements in fields of potential interest and concern to developing countries such as the environment, social development, the advancement of women, population and scientific and technical cooperation.

A United Nations Conference on South-South Cooperation and Development (UNCSCD) should (as a political forum which would be the first of its kind both by its very nature and by its objectives) strive above all to generate support for international economic cooperation in the service of economic and social development in the post-cold war world.

The conference should, in my view, set itself one main objective: to prepare a balance sheet, and to reaffirm the commitment of the United Nations to the efforts being made by the South to achieve economic reforms and democratization. It will also have responsibility for preparing a platform beyond the year 2000 on the new development priorities of the South and the modalities for their realization, taking fully into account the new international realities and the particular economic situations of each developing region (Africa, Asia, Latin America and the Caribbean).

The conference should not, however, be limited in scope to its political dimensions but should also be a forum for reaffirming the commitments undertaken by the international community in favour of the countries of the South at the various United Nations conferences organized since 1992 (the United Nations Conference on Environment and Development, Global Conference on the Sustainable Development of Small Island Developing States, International Conference for Population and Development, the World Summit for Social Development, the Fourth World Conference on Women).

The preparatory process for the conference could take place in two sessions, the first in a developing and the second in a developed country. Secretariats for the conference could be provided jointly by UNDP (Special Unit for TCDC) and UNCTAD (Division for ECDC), and headed by a Secretary-General in accordance with established practice.

The holding of a United Nations Conference on South-South Cooperation and Development by the year 1999, at the very latest, will most certainly place international cooperation for development on the global agenda of the United Nations which is confronted today by a profound identity crisis on both the conceptual and operation levels. ◆

Towards Habitat II: The Role of South-South Cooperation through the United Nations Development Programme

The Second United Nations Conference on Human Settlements will be held next year in Istanbul. Shabbir Cheema, Jonas Rabinovitch and Robertson Work of the Urban Development Unit/Management Development and Governance Division/UNDP discuss the role of UNDP in promoting a sustainable urban vision at the "City Summit."

In its resolution 47/180, the General Assembly of the United Nations decided to convene the second United Nations Conference on Human Settlements (HABITAT II) at the highest level of participation, from 3 to 14 June 1996, at Istanbul, Turkey. The first PrepCom meeting for HABITAT II was organized at the United Nations Office at Geneva from 11 to 22 April 1994. As follow-up to the meetings of the United Nations Commission on Human Settlements and the first PrepCom, two central themes for the conference were identified: sustainable human settlements in an urbanizing world and adequate shelter for all.

The United Nations Development Programme (UNDP) sees HABITAT II as a good opportunity to establish links between human settlements and sustainable human development, with technical cooperation among developing countries (TCDC) playing a key role in this process. Many model practices and programmes have evolved in developing countries which can now be shared and transferred.

There are many reasons to hold a global conference (also referred to as the "City Summit") on urbanization. First, by the year 2000, half of the world's population will live and work in cities. Second, cities and towns are seriously affected by overcrowding, environmental degradation, under-employment, social disruption and inadequate housing infrastructure and services. Third, the origin of many environmental problems such as consumption, waste, and those related to air and water is in cities. Fourth, cities are engines of economic growth and, thus, the economic prosperity of nations will depend on the performance of their cities.

Adequate access to shelter — including access to land and housing finance, community organizing, basic services and an enabling framework for participatory approaches to shelter - in rural and urban areas is the other central theme. Shelter is an issue of concern to individuals, families and communities because it directly affects the living environment of the people. Problems of shelter are universal and no country is able to completely meet those needs.

Vision and objectives

According to the first PrepCom held at Geneva in 1994, the vision of the Conference includes "creating homes and sustainable communities for all people living and working in harmony with themselves and Mother Earth," and making the world's cities, towns and villages healthy, safe and sustainable. The objectives of the preparatory process and the Conference are to: (a) raise global and national awareness of the positive role of cities and towns as centres of employment, investment, production, marketplaces, culture and learning; (b) improve people's living environments through new and more effective investments in shelter and urban development; (c) design and implement national plans of action based on national and local priorities; and (d) adopt and implement a global plan of action in support of national plans of action.

Issues recommended by the preparatory committee

The Preparatory Committee recommended that four multi-sectoral issues be woven into all programmes: (a) settlement management, with reference to decentralization and the involvement of people and their organizations; (b) poverty reduction; (c) environmental management; and (d) disaster mitigation, relief and reconstruction. Cross-sectoral issues suggested by the Preparatory Committee are women, the urban economy and employment, social and economic dimensions of urbanization and shelter development, education and capacity-building, and equity and vulnerable groups.

BY SHABBIR CHEEMA, JONAS RABINOVITCH, AND ROBERTSON WORK

Preparatory work for HABITAT II

The HABITAT II secretariat has been established at the United Nations Centre for Human Settlements (UNCHS, also known as HABITAT) at Nairobi. Preparatory work is underway at three levels: national, regional and global. Preparatory work at the national and local levels consists of the establishment of national committees, the adoption of a two-year work programme by national committees and the preparation of a national plan of action for the period 1996-2000. The process to be followed by each national committee in the preparation of a national plan of action will include an assessment of urbanization and shelter trends based on housing and urban development indicators, a review of the effectiveness of existing policies and strategies dealing with the conference issues of the Conference, dissemination of best practices and a five-year, first step commitment to implement and monitor actions for the period 1996-2000.

Preparatory activities at regional and global levels include global reports and syntheses dealing with selected issues addressed through workshops, seminars, exhibitions, publications and media events to increase awareness and resource mobilization. Actors to be involved in the preparatory process at the national, regional, and global levels will include representatives of the central government, local government, non-governmental organizations, cities' associations and the private sector.

An outline of the draft Global Plan of Action has been prepared, and was discussed during the second PrepCom for HABITAT II, to be held from 24 April to 5 May 1995 at Nairobi, Kenya. The Plan consists of key issues, principles, strategies, commitments, programmes, priority actions and responsibilities.

Objectives of UNDP involvement

Human settlement problems are a central and integral part of the sustainable human development (SHD) vision. In his letter of 17 October 1994, addressed to the Secretary-General of HABITAT II, Gustave Speth, UNDP's Administrator, reiterated the organization's strong commitment to the goals of HABITAT II. The primary objective of UNDP for HABITAT II is to establish a thematic connection between human settlements and sustainable human development — poverty elimination/sustainable livelihood, regenerating and improving the environment, job creation, the reduction of gender imbalances and sound governance. Specific objectives of UNDP's involvement are as follows:

- Incorporate relevant recommendations of Agenda 21, the World Summit on Social Development, the International Conference on Population and Development and the Fourth Conference on Women into HABITAT II. Translate the results of these conferences into concrete actions at the human settlement level in cities, towns and villages;
- Promote a unified UN-system response to the issues addressed through the Conference both at the preparatory stage and at the follow-up to the Conference;
- Provide substantive inputs to the Conference through concrete activities designed and monitored by UNDP in collaboration with UNCHS and other partner agencies in the UN system;
- Mobilize resources for the preparatory work for HABITAT II at national, regional and global levels in collaboration with the HABITATII secretariat;
- Encourage the active participation of Resident Representatives/Coordinators in the preparatory activities for the Conference;
- Promote South-South cooperation through the exchange of ideas, experiences, policies and practices on urban management and human settlements development.

Opportunities for South - South cooperation

The Global Plan of Action (GPA), being prepared for HABITAT II by its secretariat emphasizes technical cooperation opportunities among developing countries and between developing and developed countries through a section of the plan called, "International Cooperation and Coordination." In this connection, recent trends in the globalization of the world economy, the involvement of the private sector in urban infrastructure and services development and technological advances in communications and information facilities provide important technical and institutional cooperation prospects in dealing with urban-related problems throughout the developing world.

Prospects for international cooperation also provide direct linkages between the local goal of making cities healthy, safe and equitable, and the international goals of world peace, justice and stability. For developing countries presently faced with unprecedented rates of urban growth, these linkages between local and international goals are particularly important.

The Special Unit for Technical Cooperation among Developing Countries (SU/TCDC) within UNDP is supporting two concrete set of activities leading up to the HABITAT II Global Conference. First, it has commissioned the preparation of a monograph on effective urban practices which was designed to disseminate information on urban policies and practices which have proved effective in addressing pressing urban problems in different regions of the world. The monograph is also to serve as background document to the second set of activities supported by the Special Unit for TCDC. These are the regional workshops which are scheduled to take place in the Latin American and the Caribbean, African, Asian Pacific and the Arab States regions. These workshops will focus on regional urban themes and will facilitate the exchange of ideas, policies and practices on urban issues based on country case studies to be presented by the participants who will be

drawn from the central governments, municipalities, non-governmental organizations and the private sector of the invited countries.

The HABITAT II Global Plan of Action, specifically recommends the development of appropriate mechanisms for North-South and South-South cooperation. The Global Plan of Action acknowledges a growing need for new and improved ways of international networking to disseminate experience on institutional, legal and regulatory frameworks, and on governance, management practices and successful programmes in all these areas. The Special Unit for TCDC is particularly well placed to support the implementation of the Plan of Action on the basis of the TCDC modality, in particular the new forms of TCDC as embodied in the TCDC New Directions mandate endorsed by the recent meeting of the High-level Committee on the Review of TCDC. These new forms of TCDC cooperation include concepts, such as triangular technical cooperation arrangements, which include a South-South/North configuration whereby development priorities are defined and the implementation of their activities managed by the developing countries themselves with specific technical, or financial inputs from developed countries. Another new TCDC form is the "pivotal country" approach which involves the identification of a "lead developing country" which, by virtue of having certain technical or financial capacities, might take a lead role in the development of other developing countries in a sub-regional or regional context.

Through its global network of country offices, UNDP is in a unique position to provide an upward flow of successful urban management practices, enhancing technical cooperation opportunities unveiled on the occasion of HABITAT II. Initiatives, such as those undertaken by the SU/TCDC, could be expanded to facilitate even more specific technical exchanges between cities in the South. The development of an "urban best practices" database, being constantly updated by UNDP Country Offices, represents another idea for further consideration. The contact between cities is simpler and more objective than contacts between national governments, which tend to involve a higher number of administrative details. Technical cooperation between cities can concentrate directly on the interchange of successful urban management practices.

The International Colloquium of Mayors, held at United Nations Headquarters in August 1994, involved international agencies, cities' associations, non-governmental organizations, the scientific-academic community, community-based organizations, the private sector, trade unions and various other potential partners in development. The conference amply demonstrated the mayors' willingness to cooperate with each other. UNDP is following up the recommendations of the Colloquium of Mayors, through the development of regional workshops for the interchange of successful urban management practices, inviting mayors, non-governmental organizations, the private sector and other stakeholders to discuss and develop recommendations for HABITAT II.

The action package

The UNDP action package in support of HABITAT II consists of activities at three levels. At the national level, UNDP is supporting the preparatory process. National HABITAT II Committees have been established in most countries. The Administrator has sent a letter to Resident Representatives/Coordinators urging them to take leadership in providing a unified UN-system response to support governments in the preparatory activities for HABITAT II. Three types of activities are to be supported: shelter and urban development assessments and indicators; review of existing policies, strategies and best practices and; the organization of national consultations to prepare national action plans.

> The Urban Management Programme provides assistance in five areas of concentration: municipal finance, land management, urban infastructure, poverty alleviation, and the urban environment

At the regional level, the five regional workshops supported by SU/TCDC described earlier will take place.

At the global level, the first major activity organized by UNDP in support of HABITAT II was the International Colloquium of Mayors which led to the Mayors' Declaration on Social Development and Sustainable Human Settlements. As follow-up to the Mayors' Colloquium, several activities at the global level — some touched upon earlier - have been initiated. These include: the preparation of a synthesis report on TCDC exchange and transfer of experiences and innovations; preparation of a monograph on "Urban Agriculture: Food, Jobs and Sustainable Cities"; a workshop on "Gender and Shelter"; support to the development of a database on best practices; a roundtable on HABITAT II.

The Urban Management Programme is the largest multi-donor technical assistance programme at the global level in urban development. UNDP provides core funding and overall substantive monitoring. HABITAT is the executing agency, with the World Bank as associate agency. The Programme provides assistance in five areas of concentration: municipal

finance, land management, urban infrastructure, poverty alleviation and the urban environment. The Programme has been decentralized, with authority devolving to four regional offices based in Cairo, Quito, Accra and Kuala Lumpur.

Local Initiative Facility for Urban Environment (LIFE) is designed to promote "local-local" dialogue among municipalities, non-governmental organizations, and community-based organizations to improve the quality of the urban environment. The objective of the programme is to promote a sustainable human development approach to local initiatives of urban environmental improvement by linking three priority areas — governance, environmental improvement and poverty-to-equity — with the potential of influencing policies and programmes at the municipal and national level. LIFE currently operates through a decentralized structure, within seven countries, and will add five countries in the next year. It also supports regional and inter-regional projects with the aim of generating dialogue, documentation, interchange of information and actual transfers of innovations.

The largest regional programme in this field is the Urban Management Programme for Asia and the Pacific (UMPAP). The programme has four main goals: to strengthen urban management capacity involving civil society groups, local authorities and central governments; to encourage urban networking and support TCDC; to generate sustainable urban environmental policies and practices; to ensure the involvement of non-governmental organizations in all aspects of urban management programmes. One of the components, Asia-Pacific 2000, is especially involved with the empowerment of civil society groups at both national and regional levels. The programme focuses on ten countries: Bangladesh, China, India, Indonesia, Malaysia, Nepal, Pakistan, Philippines, Sri Lanka and Thailand, and is executed by UNDP's Office for Project Services in association with UNCHS, ESCAP and the World Bank.

The programmes above are not designed to provide isolated "one-off" solutions to individual problems. On the contrary, they present a number of opportunities for South-South and other forms of cooperation between developing and developed countries. Urban-related problems are alike worldwide, thus strengthening prospects and opportunities for cooperation. The International Colloquium of Mayors corroborated this fact. On that occasion, UNDP's Administrator, Mr. James Gustave Speth, said: "We feel that by asking mayors around the world to identify their main concerns, UNDP could illustrate that urban problems are more than just localized ones, but rather part of broad global patterns. Local solutions to local problems can be shared globally and organizations like UNDP can see what works best in which locations."

The following table describes a number of upcoming South-South initiatives focused around the Conference. Outlined below are the activity's venue and timing, lead unit, collaborating agencies/units and funding and a description of the activity and its expected outcome. The activities included in the table are those specifically designed for the HABITAT II process and are in addition to those of UNDP's on-going urban and human settlements programmes. ◆

Title of Activity / Venue / Timing	Lead Unit / Collaborating Units / Funding	Description of Activity / Outcome
International Colloquium of Mayors on Social Development, United Nations, New York August 1994	BPPS / Regional Bureaux in collaboration with UNCHS, other UN partner agencies and the Group of Four Cities' Associations ($150,000)	The Colloquium brought together more than 100 mayors and focused on four integrated themes: the enhancement of social integration, the alleviation and reduction of urban poverty, the expansion of productive employment, and sustainable city development. A commitment to SHD was summarised in the Mayors Declaration on Social Development and Sustainable Human Settlements which will be presented at HABITAT II.
Country level preparatory activities On-going	Resident Representatives / Coordinators in 20-30 countries in collaboration with HABITAT II Secretariat and Regional Bureaux (funding to be determined)	Three types of activities: shelter and urban development assessments and indicators, review of existing policies and strategies and best practices, organisation of national consultations and the preparation of national action plans. National Committees have been established in many countries. Direct support from UNDP to HABITAT II from Brazil, Lebanon, Liberia, Uganda, Morocco, Kenya; potential pipeline for in-country preparation in Lesotho, Tanzania, Uganda, China and Senegal.

Title of Activity / Venue / Timing	Lead Unit / Collaborating Units / Funding	Description of Activity / Outcome
Direct support to HABITAT II Secretariat through the secondment of UNDP staff or through ALD, January 1995-June 1996	BPPS / DOP / AO (funding to be determined)	Selected UNDP staff on secondment or through ALD arrangements to assist the HABITAT II Secretariat in supporting in-country preparations and other activities in support of the conference and the Secretary General of HABITAT II.
Africa Regional Workshop on Local Partnerships for Urban Development, Accra November 1995	SU / TCDC in collaboration with Accra Municipality, Country Offices, BPPS, Regional Commissions and Regional Office of Urban Management Programme ($45,000)	One of five regional workshops being organised as follow-up to the International Colloquium of Mayors. The workshop will include around 10 cities from East and West Africa and participation will include mayors, senior central government officials and NGO and private sector representatives. Expected outcome: city to city exchange and transfers as follow-up to the workshop.
Africa Regional Workshop on Local Partnerships for Urban Development, Amman November 1995	SU / TCDC in collaboration with Regional Office of Urban Management Programme, Regional Commission, Amman Municipality and Country Offices ($45,000)	One of a series of workshops, as above. It will include around 10 cities in the region and participation will include mayors, senior central government officials, and NGO and private sector representatives.
LAC Regional Workshop on Local Partnerships for Urban Development Quito November 1995	SU / TCDC in collaboration with Regional Office of Urban Management Programme, Quito Municipality and Country Offices ($45,000)	One of a series of workshops, as above. It will include around 10 cities in the region and participation will include mayors, senior central government officials, and NGO and private sector representatives.
Asia and Pacific Subregional Workshop on Local Partnerships for Urban Development (venues and dates are being finalized)	SU / TCDC in collaboration with Urban Management Programme for Asia and the Pacific (UMPAP) through Asia 2000 component ($45,000)	Sub-regional workshops are to be held in Bangkok supported by UNDP / UMPAP and ESCAP and in Kathmandu supported by UNDP / UNCHS and UNICEF. These will include cities from the region and participants will include mayors, senior central government officials, and NGO and private sector representatives.
Regional Colloquim of Mayors on Metropolitan Governance Warsaw September 1995	MDP in collaboration with DDSMS and the Municipality of Warsaw ($60,000)	The Colloquium aims to explore the acute needs that local authorities in Central and Eastern Europe are facing in the fields of management, financing and planning; to assist officials in exploring priority setting, policy options and strategic alternatives for sustainable economic development, and; to create a forum for metropolitan leadership from the region to exchange experiences and provide for cooperation in the area of strategic studies for managing cities. Expected outcome: the development of TOR for a "Manual for Municipal Development Strategies for Central and Eastern Europe."

Title of Activity / Venue / Timing	Lead Unit / Collaborating Units / Funding	Description of Activity / Outcome
Roundtable on HABITAT II Istanbul	Office of Development Studies (ODS) / UNDP (funding to be determined)	Activity description and expected outcome to be finalised.
Publication of Monograph on Urban Agriculture: Food, Jobs and Sustainable Cities	UDU / MDGD / BPPS with support from STPSD, the Regional Bureaux and TUAN	The monograph, prepared by an NGO, is the result of discussion between agencies such as IDRC and UNICEF as well as external experts. The monograph, to be disseminated at HABITAT II, will provide policy makers and practitioners with lessons and recommendations concerning this crosscutting phenomenon - dealing with health and nutrition, employment and income generation, and urban environmental improvement.
NGO Summit for HABITAT II: Our Cities and Homes: Developing a People's Agenda Malaysia April 1995	UNDP Asia Pacific 2000 Programme, the Government of the Netherlands and Canada ($77,050)	The meeting will provide a forum for about 40 regional NGO Coalitions working on such issues as housing rights, consumer, health, gender and media to dialogue on how to inter-face on development issues such that a more holistic approach to sustainable human development can be pursued. Expected outcome: includes identifying key issues and strategies for collaborative action on urban issues, concrete follow-up actions and developing a system of communications to keep intra-sectoral dialogue open and continuous.
Local Initiative for Urban Environment Programme Input to HABITAT II	UDU / MDGD / BPPS with support from the Regional Bureaux, executed by OPS and implemented by NGOs, CBOs, local authorities, NGO networks, cities associations and WHO ($45,000)	Organising a global workshop - "Toward a Methodology of Local Governance" - involving LiFE coordinators to analyse the "local-local" dialogue methodologies, regional workshops of local actors to exchange successful approaches to local governance and a publication on local governance approaches. Expected outcome: includes documentation of best practices of urban environmental improvement through "local-local" dialogue;sending delegations and exhibitions from the municipal, country, regional and interregional levels to HABITAT II, and; disseminating policy implications at the national, regional and interregional levels.
TCDC Exchange and Transfer of Effective Urban Management Practices	SU / TCDC ($15,000)	• A monograph on effective urban practices in different regions of the world • A report synthesizing the outcomes of the regional workshops supported by SU / TCDC and urban municipalities
Gender and Shelter Initiative	Gender in Development Programme (GIDP) / BPPS in collaboration with UNCHS and Regional Bureaux (funding to be determined)	GIDP will collaborate with HABITAT II in the organisation of a bridging meeting in the context of the Bejing Conference to define the linkages between previous conferences and HABITAT II. UNDP will fund the participation of some NGOs at this meeting. UNDP will also collaborate in assisting some countries which are also priority countries in the Gender Strategy, ensuring that the preparations include appropriate gender concerns.

Title of Activity / Venue / Timing	Lead Unit / Collaborating Units / Funding	Description of Activity / Outcome
Capacity Building for the Urban Environment / Ongoing	United Nations Volunteers (UNV) ($100,000). Potential collaboration partners: NGOs, Community-based groups, SU / TCDC and UNDP / UMP.	UNV will build on experience acquired from existing programmes focused on sustainable urban environments to launch new initiatives targeting HABITAT II. UNV is also planning to collaborate with SU / TCDC on the organisation of exchanges to promote grass-roots groups which have developed effective and innovative coping mechanisms to deal with urban environmental issues.
"Towards Violence-Free Cities" Workshop	UMPAP and Asia Pacific 200 (RBAP and Dutch financing)	This Workshop will be part of the NGO Forum in the Beijing Women's Conference, with panelists from participatory research projects from various Asian cities.
Support to Development of a Database on Best Practice / Ongoing	United Nations Volunteers ($100,000)	A key programme under this activity is the Southlinks programme which over the past two years has developed systems for using electronic networks as a vehicle for making community-held knowledge available locally.
Support to the HABITAT II Secretariat / Ongoing	United Nations Volunteers	Funding a one year assignment for volunteer to work at the HABITAT II Secretariat.
Support to NGO Work in the Preparatory Process / Ongoing	United Nations Volunteers	Use of National and International Volunteer modalities to strengthen capacity within key NGO networks in the preparatory process.
Urban Agriculture: An Innovation in Liberia	SEPED / BPPS with support from UDU / MDGD / BPPS, SEED / BPPS and RBA ($50,000).	This innovative, multi-sectoral project has two main objectives: to contribute to the immediate survival and self-sufficiency of the people of Jah Hondo Town in a situation of emergency, turmoil and hardship; and to develop techniques and approaches which contribute to longer term development in Liberia. The 3 main components are urban agriculture, adult literacy and health / nutrition.
Support to International Conference on Best Practice Dubai	UNCHS and Dubai Municipality in collaboration with UNDP (funding to be determined)	Providing an opportunity for representatives of governments, cities, NGOs and the private sector to share experiences and learn from each other's best practices. Expected outcome: a declaration of principles and strategies aimed at the sustainable development of the living environment which will be presented at HABITAT II.
National Human Development Reports focusing on the "Habitat" theme	Regional Director Europe and the CIS (RDEC) (funding to be determined)	RDEC publishes its National Human Development Reports as its annual flagship (a total of 21 reports, reflecting the 21 Offices UNDP has in the Region). For 1996, the focus will be "Habitat" and the reports will be used by the countries as part of their presentations at Istanbul. RDEC is also discussing a cost-sharing contribution for 9 National Habitat Committees in the region, to be obtained from the Turkish Government.

Title of Activity / Venue / Timing	Lead Unit / Collaborating Units / Funding	Description of Activity / Outcome
RDEC countries competition on the concept of "Habitat"	(RDEC) (funding to be determined)	A competition in the RDEC countries on the concept of "Habitat", which will include either designs of affordable housing, one-family dwelling of local materials, or a 'dream' design. Participants will be young people (8-13) and the best designs will be honoured in the HABITAT II installations.
"Silkroad Caravanne"	(RDEC) (funding to be determined)	The "Silkroad Caravanne" will have the participants to Istanbul wind their way through Central Asia, make stops along the way and attract attention to the Habitat concept and to the Conference.
"Habitat" video	(RDEC) (funding to be determined)	A video is to be produced by UNDP / Turkey on the theme "Habitat" in the Central Asian Republics and to be coordinated through Azimuth Geneva for showing on European TV. It will also run continuously at HABITAT II in the room where delegates have coffee.
RDEC Regional Meeting in St. Petersburg 20-26 June	(RDEC) (funding to be determined)	A segment of this Conference will be dedicated to the 1996 National Human Development Report preparation, with the "Habitat" theme. This discussion will be continued at a Workshop (27-29 June).
"Meet the Mayor - Meet the Urban Volunteer"	UNV (funding to be determined)	This will provide a forum for Urban volunteers and mayors from cities around the world to share their experiences of how collaboration between volunteer groups and city officials can help resolve urban problems.

1995 has seen a number of projects and conferences pertaining to the "New Directions" initiative, adopted in 1995 by the Special Unit for TCDC. Stemming from General Assembly resolution 49/96 of 19 December 1994, this initiative represents some of the concrete ways the praxis of TCDC is responding to the new global economy and an ever-liberalizing international trading regime. New areas of focus for SU/TCDC include emphases on strategic interventions, the role of information and the new information technologies, and on new cooperative models for disseminating the modality, and policies for making it structural at all levels. The following are working examples from the regions of the New Directions initiative in 1995.

Africa Region

African countries are looking to the economic successes of South-East Asia in a new and growing TCDC initiative. December 1994 saw the adoption of the Bandung Framework for Asia-Africa Cooperation, a manifesto for collaborative development schemes for the 21st century. Thirty-seven African countries and six Asian nations met in Bandung, Indonesia, at a conference organized by the Governments of Japan and Indonesia, the UN Secretariat, UNDP and the Global Coalition for Africa. The Bandung conference was a follow up to the Tokyo International Conference on African Development (TICAD), held in Japan in October 1993.

Participants discussed development cooperation between the regions in the areas of trade, investment, technology transfer, finance and human resources development. In an example of the triangular funding approach advocated by the New Directions initiative, Japanese funding of South-East Asian-African TCDC exchanges was encouraged at the international level. Participating countries were also encouraged in more fully and closely assessing their development needs.

Zimbabwe, in July of 1995, saw the first of several follow-up regional workshops held to operationalize the Bandung framework. African nations attending the workshop made recommendations towards creating a stable foundation for the framework. Focusing on the areas of peace and stability, capacity building and human resource development and private sector development, African planners and officials put forth proposals to increase the amount of professional contact between themselves and Asian planners and officials.

Policymakers across Africa will soon be able to take advantage of timely social research data through a recently operationalized consortium of university research facilities. Addis Ababa University serves as the hub of this six university consortium - a collaborative effort among social researchers in South Africa, Uganda, Egypt, Ghana and Mexico. The consortium began in 1994, and is, as of summer 1995, fully operational thanks to support provided by SU/TCDC. As part of its New Directions commitment to supporting strategic decision-making, and the information necessary for such, the Special Unit will be funding research proposals to study public health, and educational systems, rural and urban poverty and the environment, impact of infrastructure projects and case-studies in governance, among other topics. By making available studies which address issues under national debate, the consortium will communicate critical knowledge from the field, assisting policymakers in setting national agendas with a knowledge of how the issue has been addressed in other countries.

SU/TCDC and other units in UNDP are meanwhile sponsoring research undertaken by the RAND Forum, a Kenyan NGO. Researchers are putting the finishing touches on a study examining African food raising and processing technologies. Looking at indigenous methods of food production, this study will examine how to make these methods more commercial and profitable. SU/TCDC will make the results of this study available at a UNDP Regional Bureau for Africa-sponsored workshop being held at a yet-to-be-decided location in East Africa in December 1995. The workshop will bring together researchers, food processing technicians and entrepreneurs, all of whom are investigating ways to transform farm surpluses into new business opportunities.

In April of 1995, a meeting of TCDC Focal Points, jointly sponsored by the Special Unit/TCDC and the Organization of African Unity (OAU), was held at Accra. Over 90 participants from 36 Sub-Saharan countries attended the second meeting of TCDC Focal Points of African Governments. Acting as a country-level catalyst for TCDC, these Focal Points emphasized their wish to have the modality present in all of their countries' development initiatives and policies. In a first for a regional meeting, Focal Points from other regions (Latin America, Turkey) and an NGO, the African secretariat of the Third World Network, were in attendance. Considerable time was devoted to the issues of regional integration and economic harmonization, and training sessions for the use of TCDC-INRES were provided in both English and French. Overall the recommendations of the meeting were consistent with those put forth in the New Directions initiative, particularly with regard to the linkages between TCDC and ECDC. In keeping with the New Directions thrust to make TCDC a structural given at the country level, the Focal Points discussed the need for a national policy framework to implement the TCDC modality, the need to mobilize resources that would encourage the use of TCDC and for governments to make budgetary allocations for TCDC at the regional and subregional level. Their feedback has been very important in relation another New Directions goal: rethinking the strategic role of one of the main products of the Special Unit, the Capacities and Needs Assessment process.

Namibia in 1996 will be the home of a new TCDC exchange between Africa and Latin America. An SU/TCDC supported initiative, implemented with the assistance of an NGO known as South-North Development Initiative, was carried out. An immediate result was the decision to establish an institute to deal with African-Latin American issues. Temporary secretariats based in Namibia and Uruguay will be facilitating the new cooperative venture of ALA, or Africa-Latin America, TCDC-oriented programmes. This venture, designed with the financial and technical support of the Special Unit, will be formally inaugurated at Rio de Janeiro at a conference early in 1996. ◆

Arab States/Commonwealth of Independent States region

The countries of the Commonwealth of Independent States (CIS), undergoing a rapid process of transition, have become interested in the experiences gained by some Latin American countries in conducting stabilization and structural adjustment programmes. Of particular interest to planning officials is the external aid management aspect of these programmes. Meetings were held under the auspices of SU/TCDC in early May 1995 at Buenos Aires, and in June 1995 at St. Petersburg, to look into practical experiences that could be adapted to, and replicated in, their region.

Officials from Latin America and the States of CIS discussed privatization approaches, social safety networks, information practices, administrative decentralization and aid management techniques. A number of bilateral and multilateral exchanges were agreed upon and a systematic follow-up of these exchanges is expected to take place in the coming months. During the follow-up period, participating States will design and implement a number of programmes and projects between the regions.

With the global demand for information services

and infrastructure growing, a number of Arab and North African States have banded together in an initiative known as the Regional Communication and Information Network for the Arab Region. The first meeting was held at Cairo in December 1994, and was by all accounts a great success in establishing an overall understanding among the 15 countries of the region. SU/TCDC, along with the participating nations, supported a workshop in Tunisia in June 1995, bringing together development officials and information specialists from the private and public sectors, so as to work out the practical implications of the regional network.

A number of Arab States presently have computer on-line networks within their own borders, however they have limited interconnectivity with their neighbors and with the countries of the region. This initiative is an effort to establish direct computer links among countries in the region - the equivalent of an Internet among the Arab nations. Work has begun on exchanging databases, computerizing information and planning for the infrastructure necessary to connect States with one another. The Regional Communication and Information Network in the Arab Region initiative will be a lead TCDC activity in the region in the coming months as countries are currently mandating the necessary steps in working towards full interconnectivity. This is a major step towards starting an information highway for the 21st century in the Arab region.

SU/TCDC has also extended its support to two regional undertakings which reviewed women's issues in the region in preparation for the Fourth World Conference on Women, held in Beijing in September of 1995. These were two meetings held at Kiev in April of 1995, and in Chisinau, Moldova, in May of 1995, respectively. The condition of women in the region was extensively discussed, and policy positions were developed that were carried forward to the conference in Beijing. ◆

Asia/Pacific region

At the request of the Global Conference on the Sustainable Development of Small Island States, held in Barbados in April/May1994, UNDP, through SU/TCDC, prepared a feasibility study on establishing a Small Islands Developing States (SIDS) Technical Assistance Programme (SIDS/TAP), and coordinated the preparation of (together with UNDP's Sustainable Development Network Programme) a feasibility study on a SIDS information network. SIDS/TAP is intended to help SIDS identify unmet gaps in their development priorities (particularly relating to capacity building), falling under the 14 chapters of the Programme of Action adopted at the Global Conference, and to mobilize resources to fill these gaps. This effort represents one of the New Directions strategic initiatives endorsed by the High-level Committee for TCDC.

Currently circulating among SIDS government officials and UNDP Resident Representatives is a feasibility study for "SIDSNet," a proposed computer on-line service. SIDSNet is not a new database, but rather an effort to create interconnectivity among existing databases elsewhere in the world that have information useful to SIDS' development efforts. SIDS officials, in collaboration with the Special Unit and UNDP officials are currently examining the feasibility study to determine if this is the most cost-effective and technologically desirable means of meeting the SIDS development information needs, in support of the implementation of the Programme of Action adopted in Barbados.

Elsewhere in the Asia/Pacific region, small hydropower has taken center stage as an environmentally-friendly, locally constructed and managed solution to communities' energy needs. As a result of the December 1994 meeting in Hangzhou, People's Republic of China, the International Network on Small Hydropower (INSHP) was formed, and will hold its first meeting at Milan, Italy, in September 1995. China is the acknowledged leader in small hydropower technology and expertise, and is the host country for the network. INSHP is the first such international development organization ever to be established in China and a demonstration of SU/TCDC's New Directions commitment to fostering and improving links with centres of excellence in developing countries. INSHP is also a concrete example of the New Directions triangular cooperation mandate. China and other developing nations will share and exchange their expertise on the construction, staffing and maintenance of small (mini, and micro, in some cases) hydropower systems which generate electricity for communities from local watercourses. In turn, the Montreal-based E7, a consortium of major power utilities of the G7 countries, have agreed to offer technical advice to the network at no cost. The management of INSHP will be driven by regional and national developing country energy institutions, informed and supported by the regional energy institutions in Latin America, Africa, Asia, and the Pacific. INSHP is a useful model for South-South-North exchanges seeking to operationalize the TCDC New Directions mandate on triangular cooperation.

In support of the Asia/Africa cooperative initiatives provided for by the Bandung Framework (see Africa region), SU/TCDC is to support an Indonesia/Africa joint assessment mission charged with identifying the priorities of six African countries in the areas of agricultural production, debt management, water supply and sanitation and technology transfer. This mission will explore the possibilities for the application of TCDC instruments as a means of addressing priorities in these areas. ◆

Latin America/Caribbean region

Among the items on the New Directions agenda is an effort to increase participation of third party donors in the experience of TCDC. This effort occurs at a time when larger countries in Latin America are themselves beginning to act as providers of aid and expertise to other countries in the region. Triangular funding arrangements - a New Directions mandate - occur when South-South projects and initiatives are supported by a third party (usually a Northern) provider.

In May of 1995 an SU/TCDC supported regional level conference was held in Uruguay bringing together country Focal Points and managers of external aid to discuss the New Directions agenda for TCDC. One result of the May conference is an October 1995 exchange on triangular funding arrangements, to be held in Chile. A number of current examples of triangular funding will be discussed at the conference. As reported in the last issue of Cooperation South, Luxembourg, Chile and Nicaragua, have embarked on a project to strengthen education through exchanges in management training, school construction techniques and school curriculum development. The expertise is Southern, while Luxembourg has agreed to play a role in the process by funding the project, and by supporting the exchange process where all parties deem it appropriate. A publication examining the results of triangular funding will be produced by SU/TCDC following the October conference, and will be available through the Special Unit to any and all parties interested in learning more about the experience of these funding arrangements.

Adding new actors to the cooperation game is also a primary focus of the New Directions agenda. Increasingly, the commercial private sector is bringing its contribution to the meeting table, in the form of expertise with microeconomic development, trade, productivity and employment. Early November 1995 will see a regional level meeting in Brazil on exploring strategies for technical cooperation among small-scale enterprises. Numerous institutions from the private sector will be there to share their expertise, along with representatives of the Brazilian Government, of the Latin American Economic System (SELA), and from Programa Bolivar, a Venezuela-based, regional and semi-private agency which facilitates exchanges of know-how and technology, and it helps locate financing for joint ventures in the Latin American private sector.

Of particular interest in the region at present is an intra-Latin American and Caribbean solidarity effort towards the Capacities-Needs Matching exercises programme taking place in Haiti in November 1995. Under

the auspices of SU/TCDC, the SELA countries will operationalize their decision to jointly support Haiti's development drive. With the support of UNDP's Haiti Country Office, local authorities are developing a portfolio of projects to be circulated and matched with available Latin American expertise and funding. ◆

Global news and initiatives:

Report of the ninth session of the High-level Committee for TCDC: 30 May - 2 June 1995

At the biennial meeting in New York earlier this year, the High-level Committee adopted a number of decisions with regard to fostering technical cooperation among developing countries during the next two years. General satisfaction was expressed at the progress made in implementing the Buenos Aires Plan of Action, and the new approaches and initiatives of SU/TCDC were lauded by the Committee members.

Of particular interest to the Committee was the New Directions Initiative undertaken this year by the Special Unit. Focusing on strategic action, and on forging increased operational linkages between TCDC and ECDC, the New Directions Initiative commits the technical cooperation focus of the Special Unit to greater emphasis in the areas of: trade and investment; debt; environment; poverty alleviation; production and employment; macroeconomic policy coordination and management; as well as education, health, transfer of technology and rural development. Other key areas of the initiative include restructuring the Capacity and Needs Matching Exercise to better meet countries' needs in the new global economy; and an effort to make the upgraded INRES database of TCDC activities and expertise globally, into a tool even more user-friendly and relevant to its users' needs.

High-level Committee members called for both governments and UN agencies to support, with both mandates and funding, the strategic interventions proposed by the New Directions initiative. Present timing frameworks for submission of progress reports on implementation of the Buenos Aires Plan of Action were maintained, while the essential and semi-autonomous role of SU/TCDC was recognized and upheld. ◆

New Award for TCDC/ECDC jointly established

The High-level Committee this year welcomed the establishment of the Group of 77/United Nations Development Programme Award for TCDC/ECDC. Established on the occasion of the 30th anniversary of the founding of the G77 in June 1994, the award is designed to promote greater awareness of South-South cooperation and to support activities of economic cooperation and technical cooperation among developing countries.

The 1995 award was presented to the South Centre in recognition of its important contributions to the promotion of TCDC/ECDC. The presentation took place in New York on 29 September 1995, on the occasion of the Nineteenth Ministerial Meeting of the Group of 77. ◆

The Intergovernmental Meeting on South-South Cooperation: 31 July-4 August 1995

In response to General Assembly resolution 49/96, government experts from 65 member nations, as well as representatives from inter-governmental organizations met at the United Nations in New York to discuss South-South cooperation. Organized by the United Nations Conference on Trade and Development/ Division for Economic Cooperation among Developing Countries (UNCTAD/ECDC) and SU/TCDC, this meeting explored the fundamental changes in the world economy and international relations in recent years, and discussed ways to enhance the effectiveness of South-South cooperation in the light of these changes.

Attendees agreed that globalizing markets and liberalized trading regimes, coupled with the creation and expansion of economic trading blocs and new Southern economic powers, have created a more interdependent international economy - one where inter-state relations are increasingly based on trade and investment rather than traditional diplomacy. There was broad consensus that there remains a gap between South-South cooperation in principle and in practice. The intergovernmental experts made recommendations for strategically enhancing and integrating TCDC and ECDC in the light of the foregoing considerations and in an era of declining official development assistance. Among the recommendations were: calls for the promotion of cooperation and networking among parties to development schemes wherever applicable; greater awareness and use of media technologies both new and existing to stay abreast of current information and to promote public awareness; increased utilization of private sector resources; an emphasis on social, as well as economic and technical aspects of South-South cooperation (following recommendations of UN international conferences in the 1990s); and renewed support for the work of the South Centre as a forum for developing both South-South and North-South cooperation. ◆

First Session of the Council of Representatives of the South Centre

The First Session of the Council of Representatives of the South Centre took place at the International Conference Centre in Geneva on 18 and 19 September 1995. The meeting was chaired by Mr. Mwalimu Julius Nyerere, Chairman of the South Centre, and

Ceremony marking the signature of the South Centre Agreement held in New York on 30 September 1994 on the occasion of the 18th Ministerial Meeting of the Group of 77 under the Chairmanship of Algeria. From left: Mr. Denis Benn, Director of the Special Unit for TCDC; Mr. Mourad Ahmia, Member of the Permanent Mission of Algeria; Mr. James Gustave Speth, Administer of UNDP; Mr. Branislav Gosovic, South Centre.

attended also by President Robert Mugabe of Zimbabwe. 45 representatives from Developing Countries and a number of observers, dignitaries and guests from the South and the host country. The Group of 77 in New York was represented by Mr. Mourad Ahmia, the current Executive Assistant to the Chairman of the Group of 77 in New York.

At the opening ceremony, Mr. Ahmia, in his capacity as Special Representative of the Group of 77 in New York, conveyed to the Council the points of view of the G-77 regarding the future programme of work of the South Centre and prospects of a better collaboration between G-77 and the Centre. He also delivered a statement on the G-77/UNDP panel decision to present the 1995 Award on ECDC/TCDC to the South Centre. The award was presented to Mr. Gamani Corea and Mr. Branivlav Gosovic, representatives of the South Centre at a ceremony held in New York on the occasion of Nineteenth Annual Ministerial Meeting of the Group of 77. In attendance at the ceremony were Mr. Rafeeuddin Ahmed, Associate Administrator, and Mr. Denis Benn, Director of the Special Unit for TCDC, as representatives of UNDP; Mr. Rubens Ricupero, Secretary-General of UNCTAD and the Chairman/ Coordinators of the G-77 Chapters also attended the ceremony. ◆

SU/TCDC Contributions to United Nations World Conferences

The Special Unit for TCDC frequently contributes to United Nations and other global conferences, through specially targeted papers, studies and reports on particular issues. For the Fourth World Conference on Women in Beijing in September of 1995, SU/TCDC, in conjunction with the UNDP Gender in Development Programme and the Women's International Grassroots Network (GROOTS International), commissioned a special report examining the impact of structural adjustment programmes on grassroots women. "Restructuring Economic and Social Policy: Cross-Cultural Gender Insights from the Grassroots", examines the often

adverse effects of macroeconomic reforms on local women and discusses three successful regional examples of locally-led development organizations which manage programmes rooted in the experiences and realities of women in their communities.

The Second United Nations Conference on Human Settlements (HABITAT II) will be held in Turkey in June of 1996. For the conference, SU/TCDC and international consultants will identify countries and cities that have developed innovative urban management practices in the areas of land and real estate, infrastructure, municipal finance and administration, the environment, poverty alleviation and community-based dialogue. Once relevant projects and programmes have been identified and documented, four regional workshops (one in each region) will be held to discuss local partnerships in urban development and to look for ways of transferring the identified innovations between cities. SU/TCDC will be preparing a monograph for the HABITAT II conference which will synthesize for policymakers and city officials worldwide, the best findings and practices of these urban initiatives, and examine the process of their transfer and implementation in the wake of the regional workshops. ◆

SU/TCDC on the World Wide Web

"The emergence of new communications and information technologies has significantly affected the pattern of international exchanges.

The new telecommunications technology, including digitization of information, high-speed computer chips and multi-media instruments of education and research, now permits the instantaneous transfer of information among countries. Although many developing countries have only a limited capacity to fully exploit these instruments of communication, these developments nevertheless offer significant opportunities for identifying new modalities to operationalise TCDC exchanges."

—"New Directions for TCDC"

The "New Directions for TCDC" initiative which was released by the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC) in early 1995, and subsequently endorsed by the High-level Committee on TCDC in May 1995, has placed information technology (IT) as one of the Special Unit's highest priorities. The initiative has called for speeding up the full utilization of IT to accelerate the expansion of TCDC.

Actively pursuing these new directions, SU/TCDC has recently established a "Home Page" on the World Wide Web (WWW), the hottest and fastest growing phenomenon on the Internet today. Created nearly 25 years ago as a United States Department of Defense experiment, the Internet is a global resource connecting millions of computer users, via their telephone lines, all over the world. There were only four Internet nodes or installations in the network in the early 1970's, however, recent improvements in access to the Internet, coupled with the proliferation of hardware and information, have encouraged a host of institutions and individuals - including quite a few from the developing world - to place vast amounts of information on the Internet today.

The Internet has shown spectacular growth over the last few years. Today, thousands of nodes are set up on the Internet, with more coming on-line every day. In fact, the number of nodes has been doubling every year since 1988. About 30 million people currently use this gigantic computer network and the number is expected to continue to grow at a rate of 20% a month, expanding every day in ways that no one ever imagined possible!

SU/TCDC has established an important presence on the Internet through which users can access, with a click of the mouse, all INRES (Information Referral Service) information, important documents and articles about TCDC. Through the use of hyper-link technology, visitors are guided to other web sites established by key institutions, universities, etc. that possess information relevant to TCDC. The placement of INRES on the Internet, particularly, provides the global on-line community with easy access to this database - a resource rich in information about training facilities in developing countries. There are over 11,000 training courses offered by these organizations across a wide spectrum of fields relevant to developing countries - they include education, agriculture, social services, health, architecture, management, training and information technology. There are further plans to expand TCDC-INRES into a multi-dimensional database including information not only on institutional capacities, but also on individual experts, centres of excellence and innovative project experiences that can be transferred among developing countries.

TCDC discussion forum

Another popular use of the Internet is the growing use of electronic mail, or E-mail. E-mail makes possible, as never before, the free exchange of ideas and the creation of a sense of global community. The Internet is also replete with thousands of electronic discussion groups on almost every conceivable topic. These discussion groups, sometimes known as bulletin boards, or special interest groups, allow continuing discussion of practical developments in the fields they cover and spread new ideas among their members in an interactive manner. Participants in these on-line discussion groups are able to ask questions, debate issues and exchange insights.

Using this powerful technology, SU/TCDC again broke new ground recently with the introduction of a TCDC electronic discussion forum for the exchange of information among institutions and people interested in promoting South-South Cooperation. Through this forum, members can discuss areas of common interest, seek help and provide timely information on upcoming TCDC-related events that might be of interest to those involved in the promotion of TCDC. The list of the forum participants currently comprises development practitioners such as TCDC focal points who have E-mail facilities. Our intent is to expand the membership to include other individuals, institutions, non-governmental organizations (NGOs) and other bodies interested in promoting South-South cooperation. This will put TCDC on an entirely new footing providing its participants use this vital information utility actively! A lively exchange of views is already underway. A "letters to the editor" column for Cooperation South magazine is also planned as a feature of the forum. The TCDC discussion forum E-mail address is : **tcdc@ff101.undp.org**

The use of the Internet requires adequate telecommunications and the existence of servers (hardware and software operating systems). SU/TCDC is fully aware of the obstacles many developing countries face in exploiting the vast amount of resources available on the Internet. The obstacles range from the sheer cost of telecommunications hardware, software and timed telephone lines, to lack of adequate skills and support. Several donors and development agencies, including UNDP, have taken initiatives to promote communication linkages and the use of this technology for speeding up economic growth. SU/TCDC will work in close partnership with such agencies with a view to utilizing this powerful device to promote TCDC. Meanwhile, SU/TCDC will also continue to disseminate information through among others, paper-based compendia, magazines and diskettes.

Those who have access to the Internet are thus cordially requested to visit our home page at the following address.

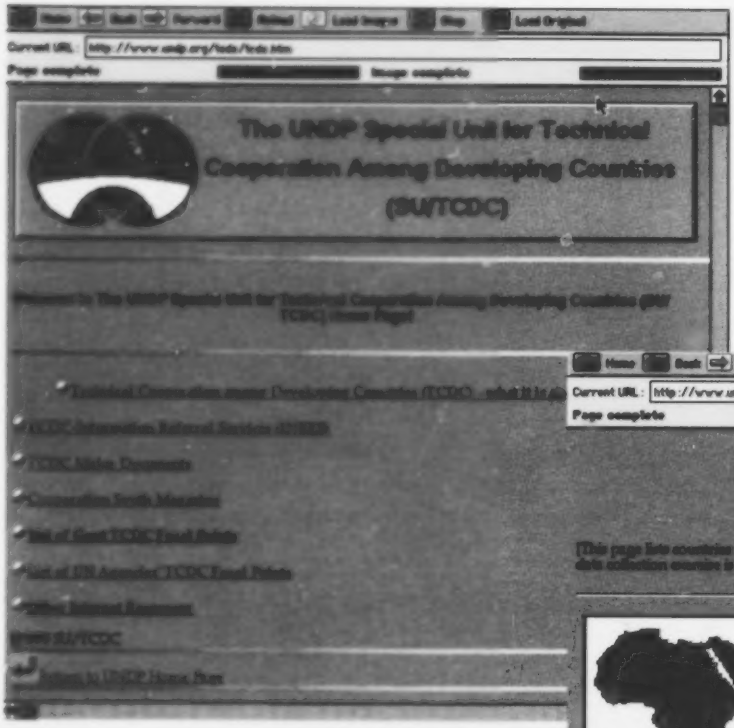
http://www.undp.org/tcdc/tcdc.htm

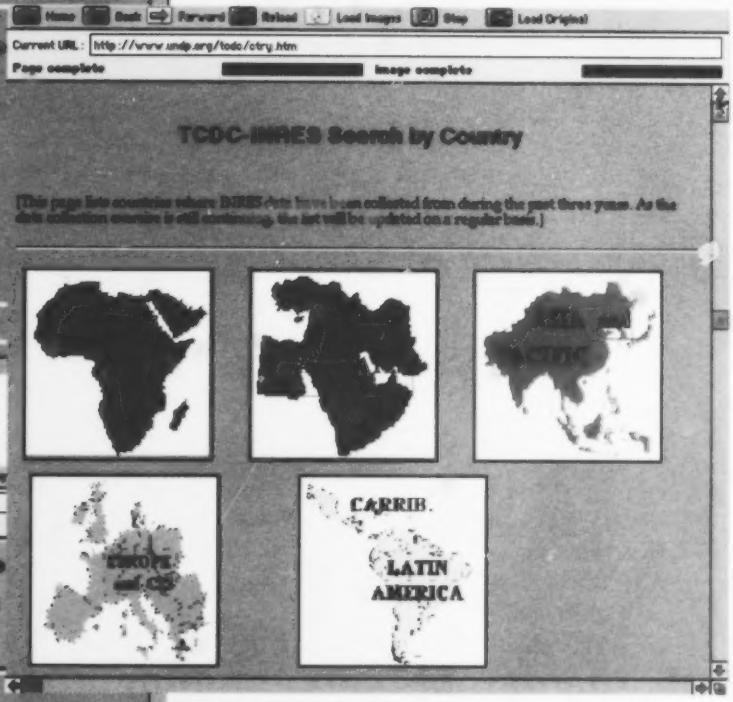
Happy surfing!! ◆

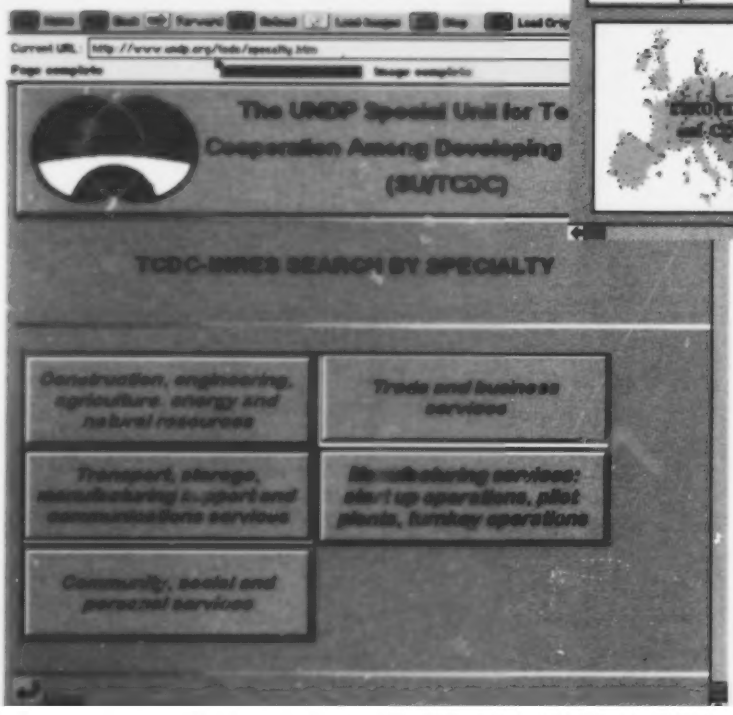
—Atsede Worede-Kal

Atsede Worede-Kal is the Information Services Officer for TCDC-INRES in the Special Unit for TCDC (SU/TCDC)

SU/TCDC on the World Wide Web






TCDC-IRRES SEARCH BY SPECIALTY
Construction, engineering, agriculture, energy and natural resources
Trade and business services
Transport, storage, communications and communications services
Community, social and personal services

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Happy surfing!

I N S I D E

Message from the Administrator

Greetings from the Director

Development Conversations
Interview with Ambassador

The Future of South-South Co
Interview with Roberto Sa

A Greater Need for the UNDP
Liberalizing

Idealistic Nationalism
The Case for

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The TCDC
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A Call

Women
From

South-South
and Technical

Annex

Publications